

NEWS SUMMARY

GENERAL

Smith New plan chief for govern London State talks industries

Chief Chitau, one of the three black signatories to the internal Rhodesian settlement, announced that he is to fly to London to-day.

The Chief told the Rhodesian News Agency that he hoped to meet Dr. David Owen, Foreign Secretary. He said he could see no justifiable reason for Britain not recognising the Salisbury accord.

Dr. Owen is due to hold talks in London to-day with Mr. Joshua Nkomo and Mr. Robert Mugabe, the Patriotic Front leaders.

Mr. Ian Smith, Rhodesian Prime Minister, in a radio and TV broadcast, said that any decision on attending the planned Anglo-U.S. conference on Rhodesia's future would have to be taken by the heads of the incoming interim Government.

In Washington, Mr. Andrew Young, U.S. Ambassador to the UN, conceded that the attempt to bring all black Rhodesian factions together in a settlement conference was "a real long shot." Page 2

BUSINESS

New plan chief for govern London State talks industries

POWERS for Ministers to instruct nationalised industries about how to conduct their businesses are to be contained in a White Paper to be published by the Treasury next week.

The instructions would have to be in the national interest and would be subject to Parliamentary approval. Compensation for financial loss as a result of compliance with these instructions is expected to be built-in to such legislation. Back Page

BARCLAYS BANK has dropped its plans to resume Saturday opening because of opposition from bank staff unions. But proposals under discussion with NUBB could, if accepted, allow more flexibility in bank opening hours. Back Page

CITICORP, the second largest U.S. commercial bank, has reversed its policy and will no longer make loans to the South African Government or Government-owned enterprises. Back Page

DELOTTES, one of the eight largest U.K. and international accounting firms, has terminated its association with an Arab accounting firm and will be developing its own business in the Middle East. Back Page

Somali guerillas to fight on

Both wings of the Somali guerilla movement operating inside Ethiopia said they would fight on despite the withdrawal of Somali regulars, a development regarded in the U.S. as "very dangerous." Page 2, Editorial comment, Page 14

Twenty skiers feared buried

Twenty skiers were feared buried in an avalanche near Aigle, Switzerland. Rescue teams, helicopters and Army heavy tanks were sent to the scene. The skiers were last seen searching for victims who may be under 15 to 18 feet of snow across a front of 250 yards. Two skiers died in another avalanche near Annecy in France.

Rome Cabinet

The Italian Communist Party, backing a Government for the first time for 30 years, criticised the reappearance of old faces in Sig. Andreotti's new Cabinet, which is to be sworn in to-day. The criticism illustrates the fragility of Italy's new Government. Page 3

Bhutto arrests

Mrs. Musarat Bhutto, wife of Pakistan's former Prime Minister, was placed under house arrest for 15 days. Three editors of Musawat, organ of Mr. Bhutto's Pakistan People's Party, were arrested after the daily news-paper published a statement in which Mrs. Bhutto said that last week's mass demonstrations indicated that the verdict expected this evening in the trial of her husband at his trial, Page 3

Ulster probe

An investigation is taking place into allegations that more than £30,000 has been paid out in false pay claims by the 10th Battalion of the mainly part-time Ulster Defence Regiment, police confirmed in Belfast.

Change of heart

Three months of weightlessness has caused a slight change in the position of the heart of one of Soyuz-6 cosmonauts. Another change was a minor shrinking of the calf muscles of both men in the orbital laboratory, a Soviet space scientist said in Moscow.

Briefly

Torvald Evans, the composer of Lady of Spain among more than 1,000 songs, has died, aged 77.

A Labrador crippled with rheumatism, has been cured by wearing a copper collar, her Nottingham owner claimed.

Lincolnshire starlings are being exported in thousands by a company whose head said: "Our cat won't eat them, but they go down well in Europe."

Swansea holder of Premiership, Bond No. EP453177 has won the weekly £50,000 prize.

Tokyo imports scheme

JAPAN has adopted an emergency plan to speed up imports—namely the A-500 European Airbus—in order to alleviate problems of renewed appreciation of the Yen, the continuing surplus, and lack of units were last night searching for victims who may be under 15 to 18 feet of snow across a front of 250 yards. Two skiers died in another avalanche near Annecy in France.

AVERAGE level of net income after tax appears to be recovering, according to Treasury calculations recorded last year, according to Treasury calculations. Page 6

U.K. MOTOR industry has told the Government it would prefer a neutral Budget on car taxation to any special measures designed to expand the car market. Page 5

CHRYSLER U.K. is hoping to capture more than 10 per cent of the British car market with the launch of its new French built Horizon saloon. Page 5

LABOUR

Birds Eye men end strike

MAINTENANCE men at Birds Eye factory at Kirby Liverpool, have voted to call off the 14-week strike which resulted in the sacking of 1,200 workers. Back Page

BID to avert the threatened two-day engineering strike will be made to-day as unions and employers negotiate the implementation of an agreement reached between them over new rates. Page 6

U.S. MINERS are due to start a court-ordered return to work this week, and there are hopes of progress in negotiations to resolve the 96-day dispute that has shut down half the U.S. coal production. Page 2

Socialists win fewer votes than expected

French Left heads for initial victory

BY ROBERT MAUTNER and DAVID CURRY: PARIS, March 12

THE SOCIALIST-Communist Opposition to-night built up a substantial lead in the first round of the French general election, but it was not clear whether it would be big enough to win a Parliamentary majority in next week's run-off.

Computer predictions showed that the combined parties of the Left—estimated to have polled 50.3 per cent of total votes—compared with the Government coalition's 45.3 per cent—had done less well than expected. Pre-election polls had forecast that the Left would take 51 to 52 per cent of the popular vote.

Under the complicated French voting system, only candidates who obtain an absolute majority are elected outright in the first ballot.

In constituencies where there is no clear winner, all candidates obtaining at least 12.5 per cent of the registered votes have the right to go through to the run-off, which is decided by simple majority.

The Government coalition parties have already agreed that, in the second round, they will back joint candidates. But, on the Opposition side, only the Socialists have so far given an undertaking that they will stand

down in favour of Communists in constituencies where the latter have emerged as the leading representatives of the Left.

The final outcome of the election may well hinge on the conclusion of such an electoral pact. But if the Left-wing vote is split again in the run-off, the public opinion polls have shown that the Government coalition could still win a National Assembly majority in spite of its lower popular vote in the first round.

Conditions in which negotiations between the parties of the Left will take place have changed with the results of the first round.

Convinced that the Socialists would emerge as by far the strongest party of the Left, M. Francois Mitterrand, their leader, has been adopting a tough stand in recent weeks.

He refused to bow to Communist demands that an arrangement by the two parties to stand down in each other's favour in the second round should be accepted.

The Communists will try to strike a very hard bargain at a Left summit meeting due to take place to-morrow. If a common Government programme of the Left ever sees the light of day, it is likely to go much further than the Socialists would have liked.

Agreement between the three parties of the Left will not be as easy as the short time at their disposal.

Nominations for the second round of voting close by midnight on Tuesday and cannot be withdrawn.

Voting goes quietly, Page 3
U.K. investment in France, Page 28
Lex, Back Page

Fear of Israeli reprisals after worst terror raid

BY DAVID LENNON

ISRAEL was to-night preparing its response to the worst ever Palestinian guerilla raid in the country's history which left 37 dead and over 80 injured.

As the biggest manhunt in the country's history ended to-night with the discovery that no guerilla had after all escaped Saturday's bloody battle, it seemed certain that Israel's stand in the current Middle East peace talks would harden.

Massive retaliation against guerilla concentrations in southern Lebanon now seems almost inevitable further upping the precarious balance in the area.

Mr. Menachem Begin, the Prime Minister, to-day expressed the hope that this "bloody event" would not prevent Egypt and Israel from reaching a peace agreement. But he warned that the perpetrators of the terrorist attack would be punished. Earlier, he had postponed his visit to Washington for crucial talks with President Carter which were to have started to-day.

Israel was also preparing to call on the U.S. to drop its backing for the Egyptian insistence that there must be prior agreement on establishing a Palestinian State before there could be any progress in the peace talks.

Mr. Begin's government already refuses even to consider Israeli withdrawal from the occupied West Bank. This latest attack—aimed it is thought at wrecking the peace initiative launched by Egypt's President Anwar Sadat—is bound to stiffen Israeli resistance to any form of independent Palestinian State in the occupied territories.

Al Fatah, the guerilla body of the Palestine Liberation Organisation, has claimed responsibility for the raid.

Mr. Begin made it clear at a Jerusalem Press conference that Israel was planning to retaliate when he declared: "Those who kill Jews in our time cannot enjoy immunity. We shall eliminate this constant threat. We shall defend our people."

The Prime Minister refused to specify the nature or timing of Israeli reprisals on Palestinian bases in the Lebanon and possibly also in Syria.

Mr. Ezer Weizman, Defence Minister, who cut short his visit to the U.S., said on arrival at Ben Gurion Airport that responsibility for the attack lay with those places from which the killers set out.

The Cabinet met in emergency session last night and reconvened for 90 minutes this morning.

Later Mr. Begin said that Israel now expected greater understanding of Israel's opposition to the creation of a Palestinian State on the West Bank and Gaza Strip. The Israeli Foreign Ministry issued a call to all nations to withdraw recognition and support from the PLO.

Mr. Begin emphasised in a statement to-day that it was Abu Jihad, head of the military branch of Fatah who gave the order for yesterday's attack. Mr. Yasser Arafat, heads both Fatah and the PLO.

Papers found on six dead guerillas, show that they had intended to take hostages in the hotel area of Tel Aviv to obtain the release of five convicted terrorists.

As the country was burying the first victims of the attack, officials were preparing to use Saturday's killings to intensify Israel's argument that it is, in Mr. Begin's words, "unthinkable" to permit the creation of a Palestinian State which would inevitably be PLO dominated.

It was stressed in Jerusalem that both the U.S. and Egypt will now have to alter their stance on a Palestinian statehood. It was because Washington and Cairo had raised the Palestinian issue to the top of priorities in the current peace negotiations that the terrorists had been forced to act, it was claimed.

Israel is expecting more attacks both at home and on foreign representative offices abroad. Aftermath of the raid, Page 2

U.S. jets for Arabs in doubt

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, March 12

THE CARTER Administration's working hard here on Capitol Hill containing that the proposed arms sale to the Arab Arab-Israeli conflict.

The Congressmen agreed that the U.S. did have an interest in promoting constructive relations with Egypt and Saudi Arabia, but claim that much had been done already on behalf of those nations.

Meanwhile an unnamed State Department official said after the U.S. Assistant Secretary of State's shuttle diplomacy in the Middle East, that Israeli unwillingness to withdraw its troops from the West Bank was the major stumbling block to settling the Palestinian question and to formulating an agreed declaration of principles with Egypt that would permit the deadlocked political talks to resume.

The letter, signed by 21 of the 37-member committee, said that to provide Saudi Arabia with advanced aircraft comparable to those being sold to Israel would "place Saudi Arabia on Israel's strategic map, raising tensions."

There is less certainty here over whether the raid will have the effect of consolidating Jewish American opinion behind the urging President Carter to determine to persevere with sales package, which the Administration has maintained must not include 242 that would obviate Israeli withdrawal from the West Bank. But it is felt that the incident will increase support for the basic Israeli argument that its security must be properly guaranteed.

Pro-Israeli lobbyists have been out on a Commons majority, and finding itself forced into an early General Election.

The Pardee package calls for £40m. income tax relief—made up of higher allowances and a cut in the basic rate from 24 to 30 per cent—to be partly offset by £20m. of extra indirect taxes.

These, it is understood, would comprise 4p on a packet of cigarettes, higher duty on alcohol, a uniform value-added tax rate of 10 per cent, and a 1.5 per cent payroll tax to be borne by industry and costing some £10m.

When their 15 MPs meet to endorse the demands the point on which the Liberals above all want satisfaction is the lower standard rate. They feel that while other measures could be attributed to some other pressure group, that cut would be seen as the first step towards the party's long-term goal of a basic income tax rate of only 20p in the pound.

Ministers still doubt whether the Liberals will press their case to the limit for fear of fuelling an early election and their possible annihilation. They especially dislike the idea of a major indirect tax boost because of its impact on the retail price index. And in the case of a payroll tax the risk is additional unemployment.

Liberals last night, however, were adamant that the party was business. Mr. Pardee, it is claimed, has secured wide support in industry for his views, despite the payroll tax, and would be certain of the backing of his colleagues.

They were also letting it be known that if it were in the crunch the party would not mind precipitating an early election on the issue of economic policy, where Liberal views would be both popular and well understood in the country.

In the past, much of the Liberal's problem has stemmed from the fact that the policies dear to their hearts such as proportional representation and direct elections to Europe have been of scant electoral appeal.

Healey studies Liberal demands

BY RUPERT CORNWELL, LOBBY STAFF

MR. DENIS HEALEY is expected this week to give his considered reply to the Liberals' Budget demands, centring on a £40m. cut in direct taxes.

The Liberal proposals, which have been exhaustively and carefully drawn up by Mr. John Pardee, the party's economics spokesman, are due to be formally published on March 21, three weeks before the Chancellor's Budget statement in the Commons.

Last night the Liberals were insisting that the Government would have to go a good way towards meeting their wishes, or face the alternative of seeing them vote with the Conservatives, with whose own fiscal policies they have a fair amount in common.

It is generally expected that an accommodation will be reached. But if one is not, and the Liberals carry out their threat, the Government would be left with the chaotic prospect of trying to carry the Finance Bill, embodying the Budget proposals, without the support of a Commons majority, and finding itself forced into an early General Election.

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New moves to steady currencies

BY MICHAEL BLANDEN

THE FOREIGN exchange markets will be unsettled this morning after the French elections and anticipation of new moves to help the dollar expected to be announced later to-day.

A determined effort to stabilise currency markets is expected after a round of international discussions over the past few days.

These were completed at the week-end with the meeting in Bonn of Mr. James Callaghan with Herr Helmut Schmidt, West German Chancellor, and telephone conversations between senior German and U.S. officials.

Herr Schmidt promised yesterday that the U.S. and West Germany were "setting new major efforts in motion to normalise exchange rates," and insisted that they would be announced after the markets opened to-day.

It is thought in the market that the measures could include a further extension of concerted support operations for the U.S. currency, making use of large central bank swap arrangements to provide necessary funds.

There are hopes that agreement could be closer, at least within the EEC, on concerted action to boost economic recovery, with the possibility also that the week-end talks might have helped to improve the recently strained relations between the U.S. and Germany.

Last Thursday, Herr Schmidt spoke strongly in an effort to improve these relations, stating:

THE DOLLAR LAST WEEK	
Friday	Thursday
DM2.0575	DM2.0302
Sfr.1.95	Sfr.1.96
Y235.95	Y235
Pound against the dollar	
\$1.9225	\$1.9270

Vehicle imports up

BY TERRY DODSWORTH

IMPORTED commercial vehicles, aided by strong wave of light Japanese vans and pickups, captured a record 22.1 per cent of the British market last month. This was 3 per cent higher than the previous record in September last year, and compares with a level of 16.5 per cent, for the whole of last year and 14.1 per cent in 1976.

The figures, published by the Society of Motor Manufacturers and Traders yesterday, show importers' sales rose by 56 per cent last month to 4,301 units compared with February last year.

They also indicate that imports are set on a steadily rising trend, as Continental and Japanese manufacturers drive a wedge into the British market by taking advantage of a rise in sales which has not been matched by production increases in the U.K.

The improvement in the position of the Japanese importers has been particularly striking, and indicates why the British Government has been so determined to bring commercial vehicles within the scope of the new agreement with the Japanese Government on the control of exports.

In February sales of Japanese-produced light commercial vehicles—car-derived vans, pickups and light vans such as the small Honda—rose 165 per cent. In the first two months of this year they rose 125 per cent, to 3,483 units, as Japanese importers have sought to compensate for some of the loss in their car sales caused by voluntary restrictions last year.

By contrast, overall imports, including the Japanese share, rose 54 per cent, in the first two months of the year. Although the vast majority of importers registered a gain in sales on last year, none of them achieved the kind of expansion scored by Datsun, which increased its sales from 439 units to 1,424.

Continued on Back Page



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OVERSEAS NEWS



Firemen at the gutted bus.

THE AFTERMATH OF THE GUERRILLA RAID

Israel's biggest ever manhunt ends

BY DAVID LENNON

TEL AVIV, March 12

THE BIGGEST manhunt in Israel's history was called off tonight when it was discovered that no guerrilla had escaped from Saturday night's bloody battle north of Tel Aviv.

After more than 24 hours of intensive searches and the first ever curfew on Jewish residents of Israel, the army announced that it had identified three of the badly burnt bodies in the hijacked bus as those of guerrillas.

Thus ended the worst ever Palestinian attack on Israel in which 37 people were killed and 82 injured. Among the dead were nine guerrillas, including one woman. Two others, one of them also a woman, were captured in last night's fierce fight.

One Israeli policeman was killed and nine injured in the battle, which also claimed the lives of many civilian Israeli men, women and children.

It was thought originally that at least three members of the Fatah gang had escaped under cover of darkness. Because of this a massive search was launched and a curfew imposed on the area of the attack.

The raid from the sea by the 11 Palestinians ended when the bus they had hijacked south of Haifa was left a charred wreck, with 25 severely burnt bodies inside.

The Al Fatah group included two women, one of whom was killed in the shoot-out beside a country club just north of Tel

Aviv. The dead woman and five other members of the group were taken to Tel Aviv hospitals last night, along with their Israeli victims.

A curfew was imposed at 3 a.m. this morning on a 400 square km. area north-east of Tel Aviv, to make it easier to spot the terrorists if they move about.

Questions were being asked today about the security forces' reaction to the raid, and why they fired on the busload of civilian hostages without making any attempt to save them. Recriminations were also being voiced over the fact that the guerrillas were able to drive a hijacked bus over 30 miles down Israel's busiest highway before being stopped.

The attack started about 4 p.m. on Saturday, when the terrorists group landed in two rubber dinghies near the kibbutz Ma'agen Michael, 22 miles south of Haifa. The group headed for the main highway, where they ambushed passing cars, and commandeered a white Mercedes.

Later they attacked a bus carrying members of the Egged Bus Co-operative and their families on a day outing. Some of the passengers were hit when the bus was fired on. After boarding it, the guerrillas ordered the bus driver to head for Tel Aviv, some 27 miles to the south. On the way, they stopped another bus, forced its passengers on to the hijacked bus, and set off with 10 first-

ages on a wild drive to the outskirts of Tel Aviv. They also stopped a taxi and ordered its six passengers to board the bus. The taxi driver managed to escape.

During the run south, the heavily armed Palestinians used bazookas, hand grenades, and automatic weapons to burst through two hastily constructed roadblocks. They also fired indiscriminately on passing vehicles.

The deadly journey was halted at the country club junction, just a few kilometres north of the city. Two police cars blocked the road at this point after hearing radio reports of the bus's progress. Seeing the roadblock, the bus slowed to a halt and a fierce battle developed as police and soldiers exchanged fire with the terrorists for more than 10 minutes.

Suddenly the guerrillas and then the passengers began to crawl from the bus as it started to explode—apparently from bombs placed throughout the vehicle. While it burned fiercely, the guerrillas continued to fight from the roadside.

It was decided to impose a curfew to prevent the possibility of more civilians being taken hostage, and to make it easier to spot the Palestinians if they moved about. More than 300,000 Israelis were confined to their homes in an area stretching from the northern suburbs of Tel Aviv some 28 miles north and 5 miles east of the coast. This is the

A triple shadow over peace efforts

By Roger Matthews in Beirut

THE ATTACK by Palestinian guerrillas in Israel yesterday has cast a triple shadow over efforts to achieve a comprehensive Middle East peace agreement. First, it poses the danger of a wider conflict. If Israel opens for heavy retaliation against Palestinians living in Lebanon, Syria now has an estimated 30,000 troops stationed there as the major element of the Arab joint peace-keeping force. Secondly, it injects another potentially explosive factor into the highly delicate Lebanese situation, where fighting is being only barely contained. Thirdly, it weakens the already enfeebled initiative launched by President Sadat of Egypt last November.

The timing and the weight of the assault by Al Fatah, the backbone of the Palestine Liberation Organisation (PLO) headed by Mr. Yasser Arafat, were clearly designed both as a slap in the face for Mr. Sadat and as a provocation for Mr. Menachem Begin, the Israeli Prime Minister, on the eve of his now postponed visit to Washington.

Dr. Boutros Ghali, Egypt's Minister of State for Foreign Affairs, offered the hope last night that the guerrilla action would not be allowed to influence the peace process, but there can be little doubt in Cairo that Mr. Begin will use the killings to reinforce his arguments against permitting any form of Palestinian self-determination on the occupied West Bank of the River Jordan and the Gaza area.

Thus, the issue which already has proved the most intractable of those separating Israel and Egypt appears likely to offer even less chance of solution. It also seems to demonstrate that the more moderate elements within the PLO, perhaps including Mr. Arafat himself, have lost ground to those who insisted that only through the armed revolutionary struggle could there be any chance of realising their ambitions.

The tragedy from Mr. Sadat's point of view is that although his peace efforts were in deep trouble they had succeeded in demonstrating the intractability of the Israeli leadership and were beginning to push a widening wedge between Jerusalem and Washington.

Despite the strains and stresses within Mr. Begin's Cabinet, especially over the question of the Jewish settlements, Israel now seems able to take the initiative and can perhaps start winning back some of the ground it was being forced to concede to Mr. Sadat in the battle for U.S. public opinion.

There may be a longer-term threat to Mr. Sadat's domestic position but does not begin to compare with the tension in Lebanon today. Extra Syrian troops are out patrolling the streets of Beirut; there was considerable military activity this morning around the main Palestinian camp on the route from the airport to the centre of the town.

The question being asked today is whether the Syrians would come to the aid of the Palestinians in the south if Israel launched a massive incursion, and whether their fighter aircraft or missiles would attempt to defend Palestinian camps further north.

In such a situation, the more extremist right-wing Christian forces who may be itching to battle with all or any of the country's "unwelcome guests" might seize the opportunity to launch a fresh assault on the Palestinians in the capital.

For President Hafez al-Assad of Syria, celebrating eight years in power, the moment is fraught with difficulties. These can only increase should Mr. Begin decide that the Palestinian issue can be solved only by force and not by negotiation. He is clearly ill-prepared for a serious clash with the Israelis, if only because without Egyptian support the result would not long be in doubt.

Somali irregulars will fight on in the Ogaden

BY JAMES BUXTON

MOGADISHU, March 12

BOTH WINGS of the Somali guerrilla movement operating in Ethiopia say they will continue fighting, in spite of the withdrawal of regular Somali troops. The Western Somali Liberation Front, which operates in the Ogaden region, said yesterday there had been "hundreds of thousands of civilian casualties" at the hands of the advancing forces and "thousands" had fled. Refugees were pouring into Somalia.

These claims could not be verified with official or other sources here in the capital. Diplomats say the guerrillas have been recaptured nearly the whole of the vital railway between Addis Ababa and the Red Sea republic of Djibouti. The Ethiopians moved about 66 per cent of their exports and imports on the 500-mile line before it was cut in several places by Somali guerrillas.

Reuter adds from Moscow: The Soviet Union signalled today it would not agree to withdrawal of its own and Cuban forces from Ethiopia as urged by the U.S. in return for the departure of Somali forces from the Ogaden desert.

It also indicated that it would not support another U.S. proposal for observers to be sent from neutral countries to monitor a ceasefire between Ethiopian and Somali forces in the contested region.

A report by the official Tass news agency quoted the Ethiopian Foreign Ministry as rejecting both proposals, which official sources in Washington have said were being accepted by the Russians.

The report said Ethiopia "is resolutely rejecting the attempts by the U.S. Government and its allies to interfere in the solution of matters which fall within Ethiopia's sovereignty."

Foreign observers said the publication of the statement in this form by the official agency was a clear sign that the Soviet Union itself was in full agreement with the Ethiopian viewpoint.

Jurek Martin adds from Washington: The U.S. believes that any Somali attempt to continue fighting in the Ogaden desert using guerrilla forces in place of regular troops would be a "very dangerous" development.

It is felt here that with Ethiopian troops poised on the Somali border, this would test the Ethiopian and Russian commitment not to cross into Somali territory and would make much more difficult the withdrawal of a substantial portion of the foreign forces now assisting the Government in Addis Ababa.

Yesterday Mr. Cyrus Vance, the Secretary of State, met Mr. Dobrynin, the Russian Ambassador in the U.S. in the wake of the Russian message that there would be a significant reduction in the 12,000 Cuban troop strength in Ethiopia if fighting stopped in the Ogaden. The Soviet Union has also told the U.S. that it would agree in the stationing of international observers in the Ogaden to ensure that the peace was kept.

Editorial comment Page 14

Smith refuses to reopen talks on conditions of settlement

BY TONY HAWKINS

SALISBURY, March 12

ANY DECISION to attend the new Rhodesian constitutional conference suggested last week by Dr. Owen and President Carter would have to be taken jointly by all four leaders who signed the Salisbury agreement, Mr. Ian Smith, the Rhodesian Premier, said tonight.

In a nationwide radio and TV address, in which he strongly attacked the British Government, he said "I believe that the four of us would have to be satisfied that the purpose would not be to reopen discussion on matters on which we had already reached agreement."

"That would be a fruitless waste of valuable time which we would prefer to devote to implementing our agreement," he added.

Mr. Smith said that the prime task of the transitional government which he hoped would be established in the next week or two would be to bring about a de-escalation in the war leading to a ceasefire.

The country must expect another effort to intensify the "terrorist war," he said. "Let no one be in any doubt that our security forces are perfectly capable of dealing with such intensification and that they will continue to hit back at the aggressors as effectively as they have done in the past."

This comment is taken to mean that Rhodesia will continue to use the policy of hot pursuit into Mozambique, Botswana and Zambia when and if necessary despite the presence of a black majority in the interim government.

Mr. Smith warned Rhodesians not to expect anything from Britain and the U.S.—which had learned nothing from Geneva and Malta—in the short term at any rate.

Mr. Young also said that the U.S. would probably have no alternative but to veto any United Nations Security Council resolution that amounted to "a strong condemnation" of the internal settlement reached in Salisbury ten days ago. Such an action would be necessary, he maintained, if for no other reason than that the U.S. did not want to prejudice the ultimate form of a Rhodesian settlement.

He also repeated his concern that the emergence of race as a hot political issue in Britain might make the British Government espouse policies for Africa that were not in the long-term interests of either Britain or the U.S.

He asserted that he thought that the British Government's standing with us "over centuries" had been disturbed that, with the U.K. economy now less a cause of domestic debate, that the attention now being given to race might prompt a new surge in British isolationism. "It is very difficult," he said, to have an intelligent discussion of Rhodesia in Britain in an atmosphere where race is a volatile issue."

But in a television interview he argued that such efforts had to be made, both as a means of keeping fighting under control and to avoid the intrusion of other foreign presences (presumably Cuban and Russian) in the arena.

Militants stone Zulu chief at funeral

By Quentin Peel

JOHANNESBURG, March 12

CHIEF GATSHA Buthelezi, leader of the only legal mass movement of blacks in South Africa, suffered a serious political setback at the weekend as he bid to forge a major anti-apartheid alliance, when he was stoned by black militants at the funeral of Mr. Robert Sobukwe, former leader of the Pan Africanist Congress.

The incident happened only two days before the congress in Cape Town of Chief Buthelezi's predominantly Zulu Inkatha movement, the Coloured Labour Party, and the Indian Reform Party takes place. Its aim is to cement the alliance between the three ethnically based groups into the most significant extra-Parliamentary and non-white opposition within South Africa to the Government.

The stoning of Chief Buthelezi, which forced him to leave the funeral, along with Mr. Sonny Leon and the Rev. Alan Hendrickse, leaders of the C.L.P., is seen as a vivid public demonstration of the opposition among young urban blacks to any leader who works within the system of apartheid.

Peace hopes in coal strike

BY STEWART FLEMING

NEW YORK, March 12

STRIKING U.S. coal miners are due to start a court-ordered return to work this week, amid reports that negotiating teams are making progress towards resolving the 86-day dispute that has shut down half the nation's coal production.

Members of both the United Mine Workers (UMW) union and the Bituminous Coal Operators Association's (BCOA) bargaining teams are reporting movements towards a new agreement in the contract talks in Washington.

According to union spokesmen one reason for the better atmosphere at the bargaining table is that the man who is now heading the companies' bargaining team, Mr. Nicholas Camella, is being "more realistic."

It is clear from remarks that they are making that union representatives feel that Mr. Camella, himself a former miner and union member and now chairman of one of the largest companies, has a better understanding of the miners' stance than some other management representatives.

Both sides, however, are under pressure to resolve the dispute because of a multiplicity of threats to their own interests in the event of another failure. This could lead to local bargaining which union and management agree could be both chaotic and expensive. It would also probably signal the end of a national wage contract in the industrial sector of the economy and perhaps bring about a further weakening of the union.

While the pressures are heavy, however, a major problem facing the negotiating teams will be to arrive at an agreement which will win the approval of the 160,000 rank-and-file miners when they vote on it. The miners have already rejected one settlement endorsed by negotiators for both sides.

This week-end miners' leaders are being served with court orders under the 80-day cooling-off period provisions of the Taft-Hartley Act. Under the order, they are required to order miners back to work while the renewed negotiations begin.

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Guerrillas elated but anticipating reprisals

BY IHSAN HIJAZI

BEIRUT, March 12

PALESTINIAN guerrillas in Southern Lebanon were in a state of "red alert" today in anticipation of what they expect to be a massive Israeli retaliation to yesterday's commando raid on two Israeli buses on the highway between Tel Aviv and Haifa.

The main guerrilla group, Al Fatah, which has claimed responsibility for the raid, declared last night that the guerrillas had killed 33 Israelis, mostly soldiers, and destroyed two lorries which were carrying the troops. Al Fatah insisted that the gunmen who carried out the operation belonged to units based inside Israel and the occupied Arab territory. The Israelis said that the guerrillas arrived from the sea by rubber boats.

Despite concern over anticipated Israeli reprisals, an atmosphere of elation prevailed in Palestinian quarters here over the successful commando penetration of Israel proper. The view in the guerrilla movement is that the success is bound to have had an adverse effect on President Sadat's Middle East initiative and on "efforts to exclude the Palestinians from a settlement."

The raid was directed at the Sadat initiative, Israel and the U.S., according to Palestinian political sources. They said that the timing deliberately preceded the talks Mr. Menachem Begin, the Israeli Premier, was to have held in Washington this week with President Jimmy Carter.

The Palestinians did not rule out the possibility of Mr. Begin hardening his position on returning the West Bank and the Gaza Strip, but said that he had never intended to give them up anyway.

In one of its communiqués, Al Fatah said that the raid was the beginning of escalating resistance inside "Occupied Palestine." It followed a series of explosions in the occupied territory and the assassination of a number of Arabs accused of collaborating with the Israeli authorities.

Informed sources attached a special importance to the fact that the new raid has been mounted by Al Fatah, the mainstream guerrilla organisation which is often described as the most moderate of the Palestinian groups. It is also headed by Mr. Yasser Arafat, the Chairman of the PLO.

Mr. Arafat interrupted a visit to East Germany and returned to Beirut last night to be close to the scene. He had gone to East Berlin after holding talks in



Twenty-five-year-old Dalal al-Musharraf who, according to the PLO, led the raid and was killed in the fighting.

injected additional confidence in his ranks.

Al Fatah is known to have a highly-trained unit of frogmen and women, who are said to be equipped with small Soviet-made armed boats.

The raid yesterday was carried out by three units, which included at least two women. They belonged to the so-called "Deir Yassin group," named after the massacre of Palestinian Arabs at the village of Deir Yassin, near Jerusalem, in April 1948. Yesterday's raid itself was named after Kamal Adwan, one of three guerrilla leaders killed in an Israeli raid in Beirut in April, 1973.

"I know that Israel will calculate its further steps before taking any action that may obstruct the peace efforts," Dr. Boutros Ghali, Egyptian Minister of State for Foreign Affairs, told Reuters in Cairo. His view was that the bloody new explosion of commando militancy above all demonstrated the need for Mr. Sadat's initiative to succeed, and to result in a Middle East settlement which would give the Palestinians the self-determination and homeland demanded for them by the Arabs. The latest violence "shows clearly the need to establish a homeland for the Palestinians," Dr. Ghali said.

Observers said that Soviet support for the PLO has strengthened its position and

Moscow with President Brezhnev and other Soviet leaders.

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OVERSEAS NEWS



First round votes: Communist Party leader Georges Marchais (left) and Jacques Chirac, Mayor of Paris and leader of the Gaullist Rassemblement pour la République (RPR) cast their ballots.

Voting proceeds quietly in the centre of Paris

BY DAVID WHITE

ELECTIONS—this sword of Damocles—this cryptic hand-written message occupying one of the specially-built campaign boardings outside a Paris polling station today—in the middle of Pigalle.

The passing male courier could be forgiven for missing the drama of the occasion. Never, even on other Sundays, is Paris so quiet as on election days. Some early-morning voters have had to queue up, but the level of excitement is roughly that of a church at collection time.

This particular seat—for a constituency covering the area between Pigalle and Place Clichy—is the object of a needle match between M. Claude Estier, one of the leading lights of the Socialist Party, and M. Roger Chénard, the Giscardian who narrowly beat him five years ago. It is a significant fight in a city with no incumbent Socialist deputies—a city which, in spite of its revolutionary tradition, in spite of the Commune, in spite of May 1968, and all that, and in spite of the Communist foothold on its outer edges, traditionally votes to the Right.

It is also, to many a bewildering one. Contesting parties, each one allocated its boarding space, number no fewer than 17. Even the Latin Quarter's intellectual resources cannot drum up more than a dozen at a time. But here one can understand why the French need two rounds of elections to sort it all out. There are Right-wing Gaullists, Left-wing Gaullists, feminists, ecologists, Communists, the National Front, Workers' Struggle, the Communist Revolutionary League, the Workers' and Peasants' Union for Proletarian Democracy, the European Workers' Party (campaigning on "an economy based on thermonuclear fusion"), the New Forces Party the Union for the Presidential Majority, the Rally for Public Service, Youth and Taxpayers and, in an area devoted to the rites of heterosexual difference, the "Gay" Party.

Each candidate has his name and that of his back-up printed



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PARIS, March 12.

on the ready-made voting slips which line the tables of the polling station in separate piles, ready for the voters, somewhat unsecretly, to pick up and then place secretly in the ballot box. The homosexuals are the exception, recommending their supporters to make their own voting slips—"it's more fun, and it's cheaper."

The homosexuals, whose propaganda takes the form of light-hearted strip cartoons, share the honours with the Ecologists for the best election posters. Paris Ecology 78, which has strong backing in the Latin Quarter, displays colourful pictures of a Paris running on windmill-generated electricity. A figure in the bottom of the picture is proposing that the Left's "Common Programme" and President Giscard's work of political wisdom "Democratie Française" be collected up, and recycled, a sentiment which a lot of Parisians might share.

Not that anyone, in these televised days, pays much heed to the miles of election posters. It was on this assumption that a student I spoke to at the beginning of the campaign was putting up posters for the Gaullist RPR party. "He was a card-carrying Communist," he said, but the Gaullists paid for people to stick posters and the Communists didn't. So he would advertise the Gaullists during the day, go to get his pay, and come back and advertise the Communists in the evening.

In Pigalle, one of the propaganda spaces is occupied by a notice asking people if, should they wish to relieve themselves, they would mind doing so against the trees on the boulevard and not there.

To-day's Election Part One is fact, only narrowly managed to keep its audiences' attention. The President's appeal to the French people's "good sense" was heavily rivalled in the Sunday papers by the tale of singer Claude François, one of the darlings of French womanhood, who on the eve of the election was electrocuted while trying to change a bathroom light bulb.

Threat to Turkey-Greece links

By David Tonge

MONTREUX, March 12.

A SERIOUS crisis in Turkish-American relations threatens to obstruct development of the détente between Greece and Turkey, the first signs of which were appearing at the end of the two-day summit here between the countries' Prime Ministers.

Their seven hours of private talks were described by both sides as extremely successful within the limited framework set—namely, to allow the two leaders to meet and assess each other.

Mr. Bulent Ecevit, Turkey's Prime Minister, says that in the next two or three weeks high-level delegations from the two countries will meet. These will take up the issues of the Aegean and "both countries' minorities which were discussed in general lines by Mr. Ecevit and his Greek counterpart, Mr. Constantine Karamanlis.

Mr. Ecevit said his meetings had been successful "despite the attitude of the United States as far from constructive," explaining that he has told the U.S. administration that he may have to revise many of his policies as he no longer believes that the U.S. Congress alone is responsible for the deterioration of Turkish-American relations.

His anger followed a statement last week by Mr. Cyrus Vance, the U.S. Secretary of State, that the administration would wait to see the results of the Montreux summit and the proposals on Cyprus due to be tabled by the Turkish side before presenting the U.S. Turkish defence co-operation agreement to Congress for ratification.

This apparently innocent statement is seen by Mr. Ecevit as encouraging the Greek lobby's attempts to bring pressure on Turkey and the Greek Cypriots liable to reject any proposals by the Turkish Cypriots, however reasonable. He thus believes this will obstruct negotiations between the two communities.

Andreotti switches key ministers in new administration

BY PAUL BETTS

ROME, March 12.

A NEW Christian Democrat minority Government was formed here this week-end, the first in 20 years to be supported directly in Parliament by the powerful Italian Communist Party.

The new Government—Italy's 40th since the fall of Fascism—is the fourth led by the Christian Democrat leader, Sig. Giulio Andreotti, who submitted his list of ministers to President Giovanni Leone last night, so ending the country's two-month-old political crisis.

Sig. Andreotti's new administration is substantially similar to the previous one.

The Prime Minister has included only two new ministers in his 21-man Cabinet. They are Sig. Vincenzo Scotti, Under-Secretary for the Budget in his previous governments who will take over the Labour portfolio, and Sig. Carlo Pastorino, also a former Under-Secretary, who becomes Minister of Tourism.

Two Ministers in the previous cabinet have been dropped: Sig. Vito Lattanzio, Defence Minister at the time of the controversial escape last summer of the Nazi war criminal, and Herbert Kappeler, and the former Health Minister, Sig. Dal Falco.

Although he did not reduce the numbers of Ministers, nor appoint some technocrats sympathetic to the Left to cabinet posts, as he originally had intended, the Premier effected a significant reshuffle in a number of key ministries.

Sig. Filippo Pandolfi, in what is widely regarded as a "promotion," moves from Finances to the Treasury, while the former Treasury Minister, Sig. Gaetano Stammali, goes to Public Works.

To make way for Sig. Scotti, Sig. Vincenzo Tria Anselmi, the only woman in the Cabinet, takes over the Health portfolio, while the former Minister of Cultural Affairs, Sig. Mario Pedini, moves to the difficult Education Ministry, replacing Sig. Franco Malfatti, the new Finance Minister.

Last effort to halt W. German metal strike

BY ADRIAN DICKS

BONN, March 12.

WEST German engineering employers and leaders of IG-Metall, representing some 2.5m. workers in the industry, were still meeting in Frankfurt to-night in a last-ditch attempt to head off the series of strikes called by the union for next Wednesday in support of its 3 per cent. pay claim.

After a "summit" meeting of the top leaders of the two sides on Saturday, separate sessions for each of the two largest wage-bargaining regions were set up. In the bigger of the two, North Rhine-Westphalia, it may prove relatively easier to arrive at a compromise on wages, provided the employers are prepared to budge from the "final offer" of 3 per cent. they have been insisting is the most the industry can afford.

In North Württemberg-North Baden, where IG-Metall has called selected strikes from next Wednesday, the two sides' starting figures for wages are much the same, but the position is complicated by the union's determination to win guarantees for the security of members' jobs and job classifications in cases of shop floor rationalisation.

Bonn considers aid for EEC applicants

BY REGINALD DALE

THE WEST GERMAN Government is actively considering plans for a new EEC aid fund for the three Mediterranean countries that have applied to join the Community—Greece, Portugal and Spain. The aim would be to prepare the three candidates for EEC entry by helping them to narrow the wide gap between their economies and those of the existing member states.

The proposal has the personal backing of Herr Helmut Schmidt, the West German Chancellor, but there is still considerable debate in Bonn as to how it should be launched. Those members of the Social Democratic Party (SPD) who still have reservations about individual West German foreign policy initiatives would prefer the proposal to emerge as a broader Community scheme, perhaps under the sponsorship of the European Commission.

As things now stand, a sum of DM300m. (\$77m.) has been earmarked for aid to the three Mediterranean candidates in this year's West German development budget. These funds could provide the basis for a new Community fund to which all the other members would be invited to contribute.

One idea under discussion in Bonn is the creation of a 12-nation "solidarity fund," to be jointly administered by the Nine and the three candidates—without waiting for them to become full members.

Initial British reactions to the scheme are not so far considered very encouraging. Commission officials see some merits in the plan's objectives. They would want to be sure, however, that the funds were not used for investment in sensitive areas that would compound industrial problems in the present member states.

Government election victory in Malaysian state

BY WONG SULONG

KUALA LUMPUR, March 12.

MALAYSIA'S ruling United Malays' national organisation, UMNO, today won an overwhelming victory in the Kelantan elections, ending 18 years of opposition rule in this north-eastern state, bordering on Thailand.

The extent of the party's sweep, surprised even UMNO leaders, and they are now likely to call for national elections soon, although they are not due until August next year.

UMNO and its partners, Berjasa and the Malaysian Chinese Association, captured all but two of the 38 seats in the state, inflicting a devastating blow to its arch-rival, the Party Islam, in its own home ground. UMNO itself won 22 of the 23 seats it contested.

Today's victory is as dramatic and as significant as the 1959 elections, in which the Party Islam suddenly emerged on the national scene by capturing all but two seats in Kelantan.

UMNO's gamble of exploiting the split in Party Islam, instigating emergency rule in Kelantan, and encouraging Party Islam dissidents to turn Berjasa to split the votes, paid off handsomely.

Party Islam received 78,514 votes, representing almost a third of the votes cast, but won only two seats.

On the other hand, UMNO and the MCA won their 23 seats with 88,671 votes, and Berjasa took 11 seats with 64,680 votes.

The new Kelantan chief minister will be Datuk Muhammad Yacub, who resigned as federal minister to contest, and who won by surprising narrow margin of 188 votes.

UMNO leaders today promised they would implement the massive economic development programme which they spelt out in their manifesto, in Kelantan, which is one of the poorest Malaysian states.

Mrs. Bhutto placed under house arrest in Lahore

BY SIMON HENDERSON

ISLAMABAD, March 12.

THE Begum Nusrat Bhutto, the wife of Pakistan's deposed former Prime Minister, Mr. Z. A. Bhutto, was put under house arrest in Lahore this evening after having been accused by the military authorities of making provocative statements and instigating street demonstrations.

She has been leading the former governing People's Party since her husband was arrested last September and yesterday issued pleas to world opinion to protest against injustices towards her husband. A party newspaper which tried to print the story was raided by police and only appeared with several blank columns.

Mrs. Bhutto will have to stay in her house in a suburb of Lahore for 15 days. Unlike previous periods of house arrest since the military government of General Zia ul-Haq took over last July, she will not be allowed visitors without permission. Her 24-year-old daughter, Benazir, who has been named as People's Party leader if her mother is disqualified from politics, has been under restriction in Karachi for the past two weeks.

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WORLD TRADE NEWS

EEC delegation leaves for Tokyo trade talks

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, March 12.

A NEW high-level EEC delegation leaves Brussels for Tokyo tomorrow in a further effort to persuade the Japanese Government to take measures which will bring about a rapid reduction in its trade surplus with the Community, estimated at more than \$50bn. last year.

The mission will be led by Sir Roy Denman, director-general of the EEC Commission's external affairs department. Unless it is rebuffed outright by the Japanese, it will be followed by a visit to Tokyo in ten days' time by Herr Wilhelm Haferkamp, the External Affairs Commissioner.

The Commission hopes that Japan will agree to publish a joint statement setting out the main points of contention with the EEC, similar to the one issued last January by Mr. Robert Strauss, President Carter's Special Trade Representative, and Mr. Nobuhiko

Ushiba, Japan's Minister for External Economic Affairs.

If such a statement can be agreed upon it will be presented to EEC Heads of Government, who have called on Japan to provide tangible evidence that it is taking effective measures to correct its trade surplus by the time they hold their next European Council "summit" meeting in Copenhagen on April 7 and 8.

This week's EEC mission is expected to renew a number of demands already familiar to its Japanese hosts for more energetic action by Tokyo to improve access for European exports on the Japanese market and for retaliatory policies which will ensure a sustained high level of economic growth. The EEC will insist that Japan act immediately to dismantle non-tariff barriers to European exports like the Airbus, processed foods and pharmaceuticals. The EEC is not satisfied by

Japanese arguments that such questions should be dealt with in the multi-lateral trade negotiations in Geneva, because the results of agreements reached in these talks will not start to take effect until 1980.

There is undisguised scepticism in Brussels that the stimulative measures announced so far will produce the 7 per cent real growth rate forecast by the Japanese Government for this year or that the Government will be able to achieve its stated aim of halving its overall trade surplus to about \$60bn. in 1979.

But the chances of being able to persuade Japan to take any large-scale additional measures in the near future to boost their economy are not very promising. The EEC is therefore expected to place much of the emphasis in the talks on trying to get Japan to agree to establish a joint system for regular monitoring of progress made in reducing its trade surplus.

Russia seeks easier terms for U.K. plant

BY KEVIN DONE, CHEMICALS CORRESPONDENT

U.K. CONTRACTORS wishing to participate in the multi-billion dollar petrochemical complex planned by the Soviet Union must be able to offer credit and 100 per cent. buy-back arrangements to cover all costs including interest charges.

According to Mr. Frank Korn, marketing director of Constructors John Brown, the Soviet trend will be towards placing very large contracts with values of several hundred million pounds, leaving it to the suppliers to ensure integration of the entire complex, and production at designed output.

In an address to the Society of Chemical Engineers, Mr. Korn said that for the Tomsk project the USSR had given only the oil specification and overall tonnage for intermediate raw materials and down-stream product plants. The size and exact capacities of plants has been left to the contractors to specify.

Mr. Korn pointed out that barter trade between Eastern Europe and the Middle East oil countries is set to increase in the exchange of machinery for oil.

He warned that compensation trade between East and West Europe, whereby Western contractors build plants in Comecon countries and are paid in product, could very easily flood Western markets and cause additional unemployment, if it is not carefully handled.

Equity investment by Western countries in Socialist countries is not yet acceptable, said Mr. Korn, with the exception of Yugoslavia and to a smaller extent Romania. However, he predicted that the smaller countries of Eastern Europe will follow the example of Yugoslavia because of the need for collateral security for additional loan facilities.

New process claimed

BY OUR CHEMICALS CORRESPONDENT

CdF CHIMIE, the French State-controlled chemicals concern, has evolved a breakthrough process for the manufacture of polyethylene.

The process will need several years of development to prove it commercially viable, but if this work is successful the process advance could have important consequences for lowering costs for plastics materials manufacturers worldwide.

Plastics Industry Europe, the London-based publication, reports in its latest issue that the way has been opened for the production of both low density and high

density polyethylene from the same plant. The CdF discovery has shown that it is possible to use the same catalysts to produce HDPE as those used in the classic high pressure process for LDPE. CdF still appears, however, to be several years away from using the process for commercial production, and it is unlikely that material could be produced in this way on an economic scale before well into the 1980s.

By then it could face strong competition from the major process advance announced late last year by Union Carbide.

Aid for Dutch exporters

BY CHARLES BACHELOR

AMSTERDAM, March 12.

HOLLAND will spend more than Fls.30m. (€7m.) helping exporters but prospects for the next few years are not bright. Mr. Karl Beven, State Secretary at the Economics Ministry in charge of export promotion, said Holland must count itself lucky if overseas markets do not shrink any further in the near future.

Mr. Beven, who was appointed in January to step up Holland's export effort, was speaking in Parliament during the presentation of the Economics Ministry's budget.

The aid will go to subsidise exporters at trade fairs and exhibitions. Exploratory visits to new markets will also be assisted.

VENEZUELAN TRADE

Davy's Japanese link

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE INTERNATIONAL group headed by Britain's Davy Ashmore International is bidding for the \$20m. Zulia steelworks plant in Venezuela. It has made a significant innovation in international contracting. For the first time a Japanese company has moved outside a purely national consortium when bidding for a steelworks.

The Japanese presence takes the form of Mitsubishi Corporation and Mitsubishi Bank. They are in the group because the customer, the Venezuelan Government, gave Davy a clear indication that it would like to see some Japanese involvement in the project.

When negotiations started two and a half years ago, Davy and its financial partner, Morgan Grenfell, maintained they could handle everything involved. Morgan Grenfell insisted it could find the finance. Davy said it could locate all the materials and even labour required. "We would have been willing to attract 5,000 people from Europe for the job," said Mr. Arthur Whiting, Davy's managing director.

But the scale of the project is such that it makes more sense for the load-engineering and financial—to be shared between several countries. In any case, the cash and the hardware would have had to be sourced from several countries even if Davy and Morgan Grenfell had been solely responsible.

If the group Davy has gathered together does get the contract it will involve between £200m. and £300m. of steelworks hardware orders from the U.S. The group would supply all the steelmaking plant and a big part of the rolling mill complex. Other electrical and mechanical equipment would also be required.

Companies which would benefit from this "spin-off" would include Davy's own sister company, the Venezuelan Steel

Head Wrightson and possibly Herbert Morris, all part of the Davy International group. Whessoe, Redpath Dorman Long, Whessoe Steel offshoot, and GEC would get contracts as well.

Of the other members of the group which has tendered with Davy for the Zulia contract, the Japanese could expect orders for \$200m. to \$250m. of engineering products and \$150m. each. This would still leave a good deal of business to be argued about among the partners and possible further orders for the U.K.

Davy put together its group last autumn and the main point is that it is not a consortium. Each member of the group has some expertise to offer or is providing financial support. In steelworks projects this kind of loosely-linked arrangement with several countries is something that did not go wrong with part of the plant it is a simple matter to identify the supplier.

Davy has joined up with CEC Enterprise, part of the French equivalent of the National Coal Board, and which has already carried out some detailed work in Venezuela where the coal source is excellent.

Also in the group is Demag, part of the Mannesmann of West Germany, and a company with which Davy has successfully worked before in Mexico and Portugal on steelworks projects. Finance would be provided by Deutsche Bank.

Mitsubishi Corporation takes part in Nippon Steel among its interests and between the Mannesmann and Nippon have the capacity to produce 80m. tonnes of steel a year, so they have a considerable expertise. Apart from that, the international members of the Davy grouping employ 250,000 people, so they have no problems about offering training to the Venezuelans.

And this training would not be a waste. Davy Lowy in Sheffield, in its first stage the Zulia will be capable of producing 1.25m. tonnes of liquid steel a year or about 1.15m. tonnes of finished steel out of the mill. Once the contract has been awarded, the final financial arrangements and site levelling could be completed in the autumn of this year and the plant would begin to come on stream in 1980.

Davy is able to point to its recent work in Brazil and the fact that last year, with a similar group of international partners, it brought on stream an 8m. tonne-a-year steelworks for

only be connected with the steel works complex and the receiving facility for some coming coal. Through the British Council, Davy would help set up centres in Venezuela to train 1,000 carpenters, welders and other skilled craftsmen in short supply in that country.

On the face of it, the British led group should get some benefit from the fact that EEC has consultancy contract for the Zulia project. This covers the plant layout and selection of equipment. However, the Davy group have also put in pre-qualification documents. These explain the abilities of the members of the various groups but so far do not quite agree prices.

Of the two other major bidders, national groupings, one is based on Crouzet-Louis Enterprises, Banque de Paris et des Pays-Bas, Voest Alpine, Ferrostaal and other partners. The second is Koppers Krupp, Koppers Technological of Venezuela. The remaining hopefuls at the pre-qualification stage were Nippon Kokan, Itabashi, and Italsider, C. Itoh, and a group consisting of Siderbrás of Brazil, Kaiser Aluminum of the U.S., and a local company, Siderco.

In its first stage the Zulia will be capable of producing 1.25m. tonnes of liquid steel a year or about 1.15m. tonnes of finished steel out of the mill. Once the contract has been awarded, the final financial arrangements and site levelling could be completed in the autumn of this year and the plant would begin to come on stream in 1980.

Davy is able to point to its recent work in Brazil and the fact that last year, with a similar group of international partners, it brought on stream an 8m. tonne-a-year steelworks for

Contracts

● Shannan International of Hemel Hempstead, Hertfordshire, has won a contract worth £2.5m. to provide a complete package of medical equipment and furnishing for a new hospital in Cairo.

The 300-bed As-Salam Hospital outside Cairo will cost £24m. and will be built and equipped to the world's highest specifications.

● Fuel Gas and Engineering Services, part of the international gas division, has been awarded a £1.56m. contract to supply oxygen and acetylene plant to the new OKPO shipyard being built in the Republic of Korea. The contract is part of a \$35m. package, won by Herbert Morris, a Davy International company, against considerable competition from other European countries and the U.S.

● NEI Power Engineering (Parole), a sector of the recently formed NEI Projects has started work on a contract for the supply of electrical equipment valued at £3.74m. for the Ras Abu Fontas power station in Qatar. This contract is an extension of earlier contracts, valued at approximately £10m., secured under the organization's former name of Parole.

● Turner and Newall is to spend a further £1.8m. in addition to the \$5m. expansion announced in 1977, on new plant for pipe manufacture in Nigeria. The new investment will finance a diversification project at Turners Building Products (Emene) to build a plant for the manufacture of UPVC pipes.

● A £350,000 marine contract to supply electro hydraulic control equipment to the Japanese shipbuilder NKK (Nippon-Kokan KK, Tokyo) for installation on a chemical carrier to be built at NKK TSU shipyard, has been won by the precision hydraulics division of Automotive Products.

● Shropshire based structural engineers W. H. Smith (Whitechurch) has announced its success in winning a £322,000 Middle East steelwork contract for the supply and delivery of 780 tonnes of steelwork and floor decking which will be going into the 12 storey Samir Almans Development at Doha, Qatar.

Electrical exports rise

BY MAX WILKINSON

EXPORTS OF electronic and electrical equipment from the U.K. rose by 28 per cent. in 1977 over the previous year to more than £3bn.

The increase represents a 10 per cent. rise in real terms after allowing the effects of inflation.

Figures issued by the British Electrical and Allied Manufacturers' Association (BEAMA) also show that imports increased

by 25 per cent. in the same period.

The total value of exports in 1977 was £3.4bn. compared with £2.7bn. imports in 1976, imports were £2.5bn. The favourable balance of trade for the sector has therefore risen by 10 per cent. or 250m. in 1977.

Exports of West European markets rose slightly, 4 per cent. of the total, and the share of exports to all exporting countries rose to 25 per cent.

Dell for talks in India

FINANCIAL TIMES REPORTER

MR. EDMUND Dell, the Secretary of State for Trade, leaves today for a six-day visit on which he will be accompanied by three senior British businessmen.

Discussions during Mr. Dell's visit are expected to centre on the "shopping list" of products which India put forward for possible purchase during Mr. Callaghan's visit in January.

It is intended that the talks, to be held largely within the framework of the Indo-British Economic Committee, will further clarify the types of goods, both capital equipment

and components, which India intends to buy.

The businessmen accompanying Mr. Dell are Sir Cyril Pitts of ICI, who will be representing the Confederation of British Industry, Sir Michael Parsons of Incheape and Mr. Michael McWilliams of Standard Chartered Bank.

On a political level, talks with senior Indian Government officials will cover the multi-lateral trade negotiations in Geneva, the UNCTAD talks on the common fund and India's relations with the EEC.

Pulp plant for Argentina

BY OUR OWN CORRESPONDENT

MONTREAL, March 12.

LOANS totalling \$57m. by the SNC Group, Montreal, and Federal Canadian Export Development Corporation and several Canadian banks will support the sale of Canadian equipment and engineering services worth \$67m. for two pulp and paper projects in Argentina.

SNC-Rust, a joint venture of

the SNC Group, Montreal, and Rust Engineering of the U.S. will provide engineering, design and project management for construction of a sulphate pulp and industrial paper mill in the province of Tucuman. A loan of \$34m. by EDC and the Bank of Montreal will back this contract.

World Economic Indicators

	RETAIL PRICE INDICES				% Change over earlier year	Index base 1970=100
	Jan. 78	Dec. 77	Nov. 77	Jan. 77		
W. Germany	143.4	142.3	142.3	139.5	+2.8	1970=100
Italy	125.9	124.7	124.7	108.4	+16.1	1970=100
Holland	117.4	117.9	117.9	112.3	+4.3	1970=100
U.K.	189.5	188.4	187.4	172.4	+9.9	1974=100
France	190.3	189.4	188.9	174.3	+9.2	1970=100
U.S.	187.2	184.1	183.4	173.3	+4.8	1967=100
	Dec. 77	Nov. 77	Oct. 77	Dec. 76		
Belgium	125.25	124.76	124.31	117.8	+4.3	1975=100
	Nov. 77	Oct. 77	Sept. 77	Nov. 76		
Japan	119.4	120.8	120.2	112.4	+4.2	1975=100

WORLD TANKER MARKETS

Some Mediterranean deals

BY LYNTON McJAIN, INDUSTRIAL STAFF

OIL TANKER chartering prospects last week continued the established dull trend noted by London brokers since January. The situation was a slight improvement in special deals in the Mediterranean, brokers said at the week-end.

Last week's poor performance came after worsening prospects in February. Many tanker owners felt pressure from declining second-hand prices as lay-up increased and as interest in scrapping accelerated.

Tanker tonnage idle for two months increased by almost 3m. tons last month to 37.4m. tons, or 44.4m. tons including Greek-owned tonnage. Brokers H. P. Dreyfus said last week. Brokers H. P. Dreyfus and Company said there was now so much excess tonnage seeking cargoes that charterers were "picking and choosing ships with care and taking their time doing so."

By last Thursday the Carib-

bean had been the busiest sector, with 21 fixtures, an improvement on the previous week when demand was patchy. The Persian Gulf had 16 fixtures and the Mediterranean had six.

Supertanker charters from the Gulf were up on the previous week, with six very large crude carriers (VLCCs) over 200,000 tons. Rates varied from Worldscale 18.5 to 20, down from 20 to 22.25.

Ultra large crude carriers featured for the first time for six weeks, with two loadings on ships over 300,000 tons. But rates for both fell from Worldscale 18.5 the previous week to 17.375.

The largest Gulf charter was Wind Ecosse, 245,000 tons, set for the Caribbean March 10 at Worldscale 17.375.

Inactive tonnage in the dry cargo sector rose half a million tons in February, to 13.7m. tons. Any short term recovery

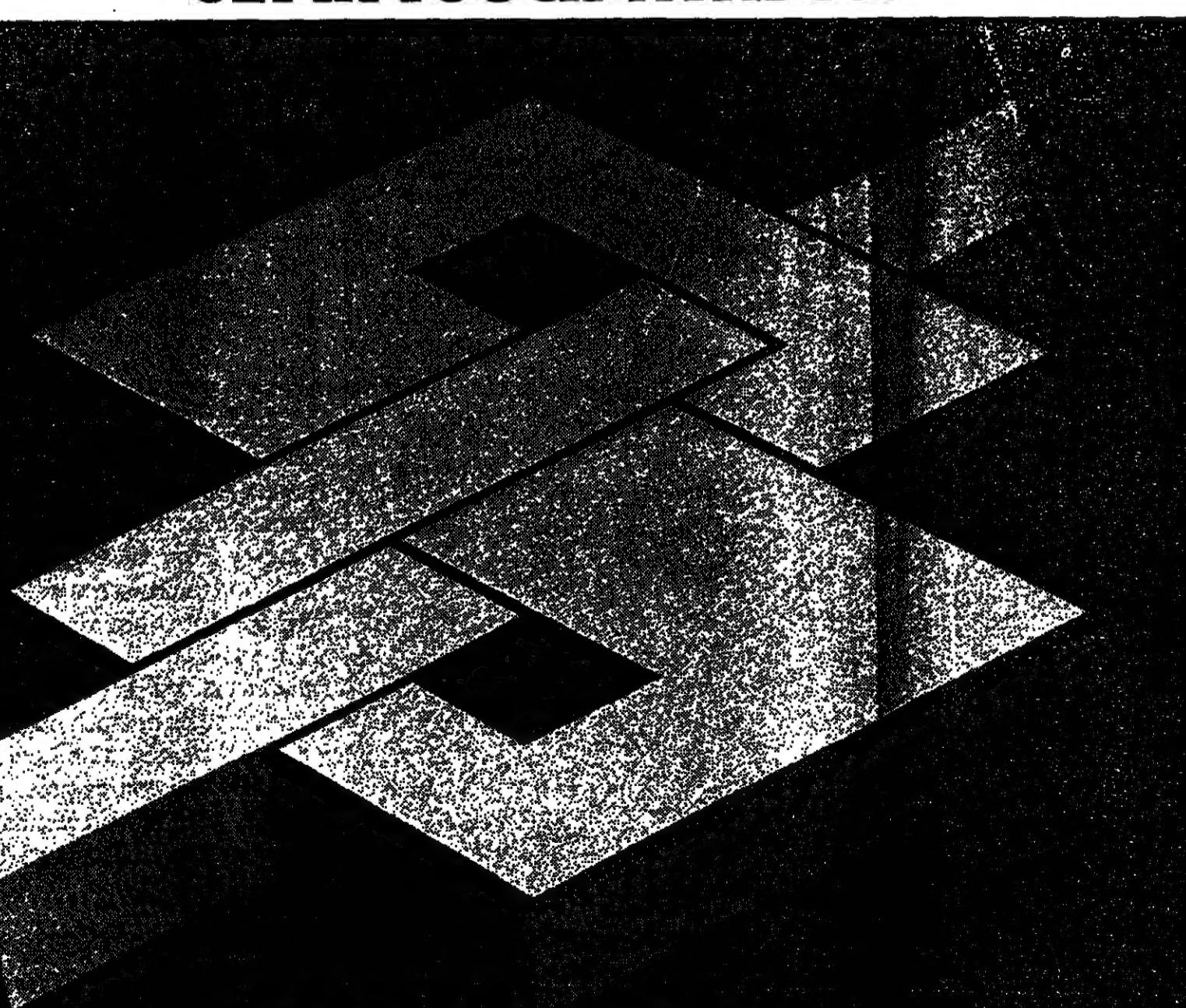
was hampered by a continued lack of loadings for U.S. grain and coal.

Dry cargo tonnage scrapped in February reached 800,000 tons, but orders were reported for two bulk vessels totalling over 200,000 tons, for delivery from Japanese yards in 1979.

The average Far East scrap price last week was \$88 per ton in Europe. It remained below the \$50 mark at \$48.

In the tanker market, ordering and scrapping was in balance, at 800,000 tons in each case, with 15 small vessels on order. Total tonnage of all types of vessel idle at January 31, 1978 was 48.6 deadweight tons, with an overall of 7 per cent. of ships laid up, figures from the General Council of British Shipping showed last week. Denmark was the worst hit nation, with 36 per cent. of its fleet idle, compared with 6 per cent. of the British fleet.

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HOME NEWS

Thatcher says overmanning destroys jobs

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADE UNION success in maintaining high manning levels and Labour's subsidy of redundant jobs were blamed for Britain's high unemployment by Mrs. Margaret Thatcher, Leader of the Opposition.

She said that even the £820m. needed to cover British Steel's expected loss this year would not save jobs. Some of the money coming from successful industries would prevent them taking on more workers.

She cited the closure of GEC's domestic cooker plant in Liverpool as an example of the "overmanning" which she said was a major cause of unemployment.

Overmanning created unemployment, she told Conservative trade unionists in Bradford. It brought companies to the point where they had to shut whole factories to get out of trouble.

A Conservative government would do nothing to help firms faced with closure because of overmanning or failure to resist large pay claims.

Conservatives believe that the motor companies and the railways are examples of overmanning.

Mrs. Thatcher said that subsidies could be used wisely to mitigate hardship and to "ease the process of change from old industries into new." However, she did not identify these new industries.

Bow Group warning on election

By Rupert Cornwell

A MODERATE Tory pressure group today expresses renewed fears about the electoral threat posed to the party by Mr. James Callaghan's skilful seizure of the political middle ground, and his projection of a sound conservative image.

The warning comes from the Bow Group, in the latest issue of its Crossbow publication. An editorial says that the Prime Minister has outflanked the Conservatives by his exploitation of the Rightward shift in public opinion.

He harnessed the new mood to his stand against the power workers and the firemen, and established a bond with the public as the best conservative Prime Minister of recent history," says the editorial.

The Tory leadership by contrast, obsessed with covering internal divisions and with the centrists having won the trades union issue, failed to notice that public opinion was moving, and left the Government free to usurp the Conservative corner.

Mrs. Thatcher, however, escapes criticism, despite the broadly Left-wing slant of the Bow Group. Instead, she is advised to "formalise her pronouncements" in a series of major speeches—and to consider a replacement for Mr. James Prior as Shadow employment spokesman.

This need not revive speculation on a Conservative split over industrial relations. A promotion for Mr. Prior would express appreciation of his achievements.

Chrysler seeks 10% share of car market

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER U.K. plans to take more than 10 per cent. of the U.K. car market—a figure last achieved in 1974—with the addition to its range later this year of the new French-built Horizon.

This target has been established following the launch of the Horizon in France, where, in the last two months, it has shown encouraging signs of pulling back Chrysler's faltering position in the middle sector of the market for medium-sized family saloons.

Present plans indicate that when Chrysler begins importing the Horizon to Britain it will hope to sell between 30,000 and 40,000 units a year.

Production at Simca's Poissy plant near Paris, is already running at the rate of about 100,000 units a year, and will build up by May to 250,000 units a year.

The new car, styled in Chrysler's European studios at Whitley, Coventry, and jointly developed by European and U.S. engineering teams, is the most significant Chrysler launch in recent years.

The concept was taken up by Chrysler Corporation in the U.S. to form the basis of the new Omni/Horizon range, which looks like the French-built car though it has many different components.

The vehicle is the first U.S. built mass-production car to utilise front-wheel drive and a transverse engine. Chrysler will use it to attempt to win back ground in the expanding U.S. small car market.

In the U.K., Chrysler aims to fit the Horizon, offered with either 1100 cc or 1300 cc engines, into the price gap between the recently launched Sunbeam model and the Alpine.

The French-made car has a similar shape and size to the Sunbeam, with a hatchback in a body of about 13 feet, but the company believes that its extra technical specifications will differentiate it sufficiently from the British vehicle. No prices have been given, but the Horizon sells in France at between £2,600 and £2,900.

Following the Horizon's launch in October, Chrysler will be bringing another front-wheel drive car—an Alpine with a boot—into production at its Ryton plant in Coventry next year, where it is currently achieving better quality than at any other of its European plants.

This version of the Alpine, now being produced in its hatchback style in Poissy, Ryton and Madrid, will be the last of the vehicles introduced to Britain with the help of the £182m. Government grants and loans arranged when the company collapsed in 1975.

Its introduction will clearly leave Chrysler U.K. with a much wider range of products than three years ago, though these cars all enter to the middle of the market. It should also add significantly to Chrysler's U.K. sales, which sank last month to only 8.2 per cent. of the market.

Better deal proposed for injury victims

Financial Times Reporter

RECOMMENDATIONS on automatic compensation for road accident victims and universal allowances to cover disablement costs are expected to be made in a Royal Commission report this week.

The commission, set up under Lord Pearson five years ago, was given a wide brief to consider all aspects of civil liability.

Its main area of interest has been to consider whether the normal proof of liability procedures in civil cases should be changed into a no-fault basis. This has wide-ranging implications for the law on product liability, as well as the status of motor insurance and medical liability.

The commission is believed to prefer a revision of the system for compensating road accident victims on the grounds that the way the law operates at present tends to be capricious and time-consuming. Under an automatic system victims would be compensated whether they were at fault or not.

Experts are divided on whether the cost of a revision, which might have to be paid out of a new petrol tax, would be too high to gain widespread support. Some believe that any increase in expenditure would be balanced by a decline in the handling costs attached to civil suits.

Motor industry wants 'neutral' Budget

BY TERRY DODSWORTH

THE BRITISH motor industry has told the Government that it would prefer a neutral Budget on car taxation to any special measures designed to expand the market. But it would like the Chancellor to look at the situation again in the autumn, when his other measures have had time to work through.

These recommendations, passed recently to the Treasury by the Society of Motor Manufacturers and Traders, have been made on the expectation that the rest of the budget will give a mild stimulus to consumption.

The SMMT is itself arguing for substantial personal tax cuts as a means of creating more incentive and better productivity. It believes that measures of this kind would give a considerable stimulus to the car market, without any additional moves to alter the present purchase system of 33 per cent. deposits and a 24 month repayment period.

At the same time the Government is believed to have rejected yet another proposal by the Ministry of Transport to replace

the 150-a-year vehicle excise tax by higher taxes on fuel, which at present stand at 30p a gallon on petrol and 35p on diesel.

The Department of Transport has argued for this change on the grounds that a petrol tax penalises use and would encourage motorists to switch to smaller and more economical cars.

But the Department of Industry opposes the scheme because it believes that a switch towards smaller cars would encourage greater imports, while the Treasury is inclined to accept the Dof's views because of its own anxiety over possible increases in imports of manufactured goods.

The SMMT has argued against the switch in the past because of fears that motorists would be hard hit by yet another substantial increase in fuel prices. But since the stabilisation of prices in the past year, and evidence that the real price of fuel is the same as it was before the oil crisis, it is preparing to take a new look at the situation.

Scrap industry warned on euphoria

BRITAIN'S FERROUS scrap industry which has had to face more than two years of recession must not rest with "euphoria" to some signs of slight rises in demand and price, says Mr. Eric Cross, president of the British Scrap Federation.

Mr. Cross said that in some parts of the country there was evidence that the industry's major customer, the British Steel Corporation, had raised its scrap purchases. With such a depressed market this could push prices upwards.

Rules sought on pay sanctions

SAFEGUARDS against Government sanctions to curb excessive wage demands are being sought by the London Chamber of Commerce and Industry. The chamber said today that while it agreed that the fight against inflation is of the greatest importance, its 8,600 national members had mixed reactions to recent Government measures to tighten sanctions.

The chamber believes that the Government define targets for individual pay settlements instead of an overall target for wage rises. Parliamentary approval should be sought for use of sanctions.

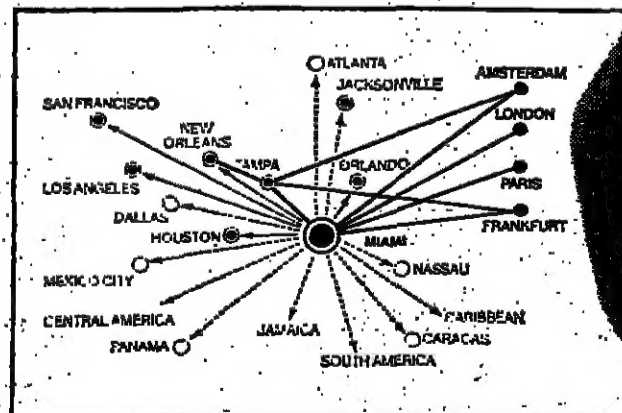
The publication of a blacklist of firms is objected to and the chamber suggests that two conditions should be met: companies should be notified individually before publication; and they should have the chance to justify any wage increases before an independent tribunal.

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HOME NEWS

Key economic figures awaited this week

BY DAVID FREUD

MARKET INTEREST will concentrate on the trade and money figures published in the middle of this week. Both sets of statistics showed a marked turn for the worse last month and the new figures will provide strong evidence as to whether they were part of an underlying trend or a temporary aberration. The January trade figures showed the first current account deficit—of £179m.—since the summer. This was in stark contrast to the second half of 1977, when there was a total surplus of nearly £1bn.

arrest level

Officials were able to find no factors to account for the deterioration. However, there had been an ominous drop in the December surplus which, £14m., was less than a third of the previous month's. The February figures will be published tomorrow. The money supply figures, published on Thursday—are expected to show a slackening in growth after the sharp rise registered in January. However, they are likely to remain well above the Government's target level.

Money stock

The sterling money stock on the wider definition (M3)—the key figure for official monetary policy—rose by 2.3 per cent. in January.

This took the increase in the first nine months to the annualised equivalent of 14.75 per cent., well above the official 9.13 per cent. official target range.

Other figures due are the provisional retail sales statistics for February, to-day; the provisional index of industrial production for January, on Wednesday; the January earnings figures, also on Wednesday; and the retail price index for February, on Friday. The Bank of England Quarterly Bulletin is published on Thursday, which will contain the usual banking sector statistics.

'Too few women take up law'

THE Equal Opportunities Commission believes that there are too few women at all levels in the legal profession.

The problems of women in the law are "deeply rooted in traditional habits of mind (women as well as men), customs and practices," the commission says in evidence to the Royal Commission on Legal Services published today.

The commission found that 26 per cent. of law graduates are women, but they formed only 2.2 per cent. of practising barristers and 6.5 per cent. of practising solicitors.

Referring to barristers, the commission says: "In a profession which has been traditionally a male preserve and which only allowed women to enter in 1919, the ethos and traditions are still essentially masculine, and this prejudice shows itself by generally only allowing women places to deal with matrimonial law or crime, being regarded as not serious enough or intellectually capable of dealing with commercial or chancery matters."

The Senate of the Inns of Court circulated women practising at the Bar to try and establish where problems exist.

The commission says: "It seems improbable that the problems of discrimination can be accurately identified by seeking information from those who have succeeded in obtaining tenancies. What matters is the experience of those who have been excluded."

Of 72 Industrial Tribunal chairmen, two are women, and of 1,811 lay members 417 are women.

Among the commission's recommendations are:

• The Inns of Court and the Bar and the Law Society register as training institutions under the Sex Discrimination Act.

• Heads of Chambers should be reminded of their obligations under the Act.

Unions seek talks with Edwardes

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEYLAND CARS' management appears ready to take the initiative to revive the ailing worker participation machinery.

Shop stewards on the cars council, the top-tier participation body, have opened the door for fresh talks by calling for urgent discussions with Mr. Michael Edwardes, the British Leyland chairman. But Mr. Derek Robinson, the senior trade union spokesman, said last night that firm assurances would be required from the management that it was prepared to honour both the letter and the spirit of the original worker participation agreement.

The union side of the cars council suspended meetings in protest at the announcement of closure of the Speke assembly plant. The shop stewards complained that Speke was the third

important decision taken by Mr. Edwardes without prior full consultation with the unions. Leyland stewards are pressing through their full-time officials for a meeting with Mr. Eric Varley, Industry Secretary, to discuss the future of industrial democracy in the State-owned concern. In the original Government rescue scheme stress was placed on the need to enlist the co-operation of the workforce. Efforts are being made to convene a meeting of senior Leyland stewards to review the progress of worker involvement. Calls to scrap the present system of participation are likely. In addition, to stewards disillusioned by the present operation of the scheme, important plants such as Rover at Solihull, and Triumph at Coventry, have refused to take part.

Engineering groups slow to go metric

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

METRICATION is making very slow progress in Britain's small engineering companies, according to a report submitted to the Metrication Board's engineering steering committee.

It reveals that 12 years after the process of converting U.K. engineering industry began, only 29 per cent. of new machines bought by the companies investigated were metric and only 20 per cent. of those already installed were metric.

Some 77 per cent. of engineering drawings are still produced with Imperial dimensions.

The report, produced by metrication consultant Mr. Jack Whiteley, cites only two instances where trade in metric engineering products is greater than trade in its Imperial equivalent—screws and wrenches.

The Metrication Board said at the weekend that its own surveys revealed a very different picture in large engineering companies where over two-thirds of products produced were in metric sizes. "More important, nearly all new designs were metric."

Whitehall 'should lead way on pay'

By Kenneth Gooding, Industrial Correspondent

GOVERNMENT must lead the way on pay next year to ensure that average wages rise by no more than 5 per cent. and that inflation is held, the National Consumer Council said yesterday.

The Council, set up by the Government to represent consumer interests, has told the Chancellor that the Government's first priority must be to cut the rate of inflation to 5 per cent. or less in 1978.

To this end, it must lead an attack on all practices which result from entrenched expectations of high inflation, such as frequent price increases and "unreasonably high pay claims."

In proposals for next month's Budget, the Council has backed demands from Labour MPs for the abolition of one of the two main profit safeguards written into price controls. The Government must amend legislation to prevent companies being allowed any interim price increases while they are investigated by the Price Commission.

The Council wants companies to limit price increases to once every 12 months. Increases at more frequent intervals should be prime candidates for investigation by the Commission.

Extra scrutiny

Rises notified by companies which have exceeded unreasonably high pay claims should come in for extra scrutiny.

The Council, whose members represent a broad spectrum of political opinion, says that it is "highly unlikely that free collective bargaining on pay, left to itself, would result in a low enough rate of wage settlement to ensure that inflation was reduced to five per cent. To get inflation down to this point, earnings would have to go up by no more than 5 per cent."

This implies a rise in basic wage rates of about five per cent.

The Council concludes that because it is unlikely that this would come about through the re-introduction of free collective bargaining, there is no alternative to some kind of Government policy on pay.

Net incomes trend shows recovery

Financial Times Reporter

AVERAGE after-tax income appears to be recovering in real terms after the low levels reached earlier last year. However, net income is still well below the record figures set in 1974.

According to a Parliamentary written answer by Mr. Robert Seldon, Financial Secretary to the Treasury, average weekly net income in December, 1977, was £65.80.

Net income was defined as gross earnings plus family allowances and (for 1977 only) child benefits, less income tax and national insurance contributions. The figures are for a married man with two children under 11.

The December figure was £27.00 above the level recorded in March, when the average income was £38.80.

Prices—was lower than at any time in the 1970s at £82.90. It was also an improvement on figures for the two other months recorded in the quarterly series, which showed the June figure at £24.00 and the September at £23.30.

Taking a longer term view, however, the December figure was still below the level that had been reached six years earlier, in September, 1971.

The December figure was also well below the peak level recorded in December, 1974, when the real weekly net income—again at December, 1977, prices—was £71.80.

Mr. Seldon said that the Government was aware of the need to improve the real value of net income and that it was committed to a policy of steady growth in real wages.

He said that the Government was committed to a policy of steady growth in real wages and that it was committed to a policy of steady growth in real wages.

Changes at Borg-Warner

A major reorganisation announced for the transportation equipment group of BORG-WARNER CORPORATION includes the appointment of Mr. Peter G. W. Whybrow to managing director, transmission division of Borg-Warner Limited.

Mr. Whybrow, formerly deputy managing director, joined the transmission division when it was established at Luton in 1958. In addition to operations at Luton, West Glamorgan, his responsibilities include Borg-Warner service centres located in the U.K., Sweden, Germany and New Jersey, U.S.A. He is also responsible for Toolworks, a subsidiary of the division.

Mr. T. M. Greer has been appointed to the Board of JOHNSON GROUP MANAGEMENT SERVICES, a subsidiary of Johnson Group Cleaners.

COMPAGNIE MONTEGASQUE DE BANQUE OF MONACO has made Mr. Pierre-Paul Schweitzer a director and chairman of the Board. Mr. Schweitzer, who was managing director and chairman of the executive Board of the DIF, is also an advisory director of Unilever N.V. Rotterdam and a member of the supervisory Board of the Robeco Group, Rotterdam.

Miss Jessica Jenkins has been appointed by the ILEA as assistant education officer responsible for primary education. She succeeds Miss Patricia Burgess who retired recently after more than

Wages policy faces further tests in talks this week

BY CHRISTIAN TYLER, LABOUR EDITOR

THREE IMPORTANT sets of pay talks for manual workers will be held this week, as the Government looks forward with growing confidence in a modest success for its 10 per cent. incomes policy.

Over half-way through the policy's life—but with only about a third of workers having settled so far—there is some confidence that the national increase in earnings, including productivity deals, can be held below 15 per cent. by the end of July.

To-day engineering unions meet the employers for what could be a final attempt to settle the dispute about the way the incomes policy affects a relatively small number of low-paying firms. The unions, with 1.1m. members involved in a national agreement setting minimum rates, have threatened a two-day general stoppage for Wednesday and Tuesday if the talks fail.

To-morrow power supply unions are expected to call their national delegate conference for a ballot of their 100,000 members on an offer to be made by the Electricity Council to consist of 10 per cent. on earnings, plus another 7 per cent. or so for self-financing productivity.

On Thursday, negotiations set under way on a pay claim, due for settlement at the end of June, for 700,000 building and civil engineering workers.

The employers are expected to move fairly quickly towards an offer of 10 per cent.—or about £7.50 a week extra on average earnings. They must also promise that they will not raise prices.

Shop stewards back plan for drivers' stoppage

Shop stewards back plan for drivers' stoppage

BY PHILIP BASSETT, LABOUR STAFF

SHOP STEWARDS representing lorry drivers in haulage companies throughout London and the south-east voted yesterday to recommend strike action in support of a pay claim.

Official backing for the strike will be applied for, but any action will be suspended for four weeks while the dispute is referred to the Advisory, Conciliation and Arbitration Service.

The dispute involves a Road Haulage Association pay offer to drivers at 2,000 private haulage companies in London and the south-east. The pay package originally included a 25p shift meal allowance which was dropped after pressure from other unions.

Yesterday the London soup stewards turned down the employers' replacement meal element of 35p per week and decided unanimously on strike action in support of the restoration of the 25p per day allowance.

If the dispute is not settled at ACAS £300 hire and reward drivers working for haulage firms will be the first to come out on strike, though the stewards warned yesterday that drivers working for private companies' own haulage fleets could be called out after them.

Teachers step up action to press pay demand

BY OUR LABOUR STAFF

INDUSTRIAL ACTION by teachers will be stepped up to-day when the National Association of Schoolmasters and Union of Women Teachers joins the National Union of Teachers in voluntary action in support of their pay claim.

A total of 246,000 teachers have been asked by the two unions, the largest of Britain's teachers' unions, to refuse to supervise mid-day meals and perform other voluntary activities.

The two unions are furious at the refusal of the local authority employers to negotiate on their 9 per cent. pay offer to each teacher, with another 1 per cent. to cover promotional and incremental increases.

The teachers want a 12½ per cent. pay rise from April, with at least 10 per cent. for each individual teacher. They say it is unfair to expect all teachers to

pay for the increases of the minority who would get the promotional increases.

Scargill attacks incentive plan

THE NATIONAL Coal Board faces serious problems over operation of the pit productivity scheme in Yorkshire, Mr. Arthur Scargill, leader of the region's miners, warned yesterday.

At a third of the 66 Yorkshire pits, clerical workers were earning more than colliery surface men, he said. At 20 per cent. of the pits, the office staff and typists were earning more than both surface workers and men who worked underground away from the coal face.

Dr. D. O. Ellis has been appointed a director of SOFT-WARE SCIENCES INTERNATIONAL with specific responsibility for all major new developments in Group activities. He was previously managing director of B. H. Blackwell. Mr. Ellis also becomes chairman of two Group subsidiaries—Software Sciences Micrologic and Software Sciences Engineering.

The Council of the Federation of Manufacturers of Construction Equipment and Cranes has approved the appointment of Mr. David R. Barrett, as director—construction equipment, and of Mr. Alan C. Shipper as the director responsible for the Crane Group within the Federation.

Mr. P. S. Lane continues in service as director general and Mr. R. H. Redders continues as the Federation's technical director.

Southern Region's new chief passenger manager is Mr. Robert Parks who has come to the Southern after 12 years on the Scottish Region. He succeeds Mr. Peter Haydon, who is now passenger manager (sales) at British Railways. Square's Marylebone headquarters.

Decline in world trade forecast

FINANCIAL TIMES REPORTER

GLOOMY VIEW of the world trade prospects in the next five years is taken by the Henley Centre for Forecasting in its latest framework forecast.

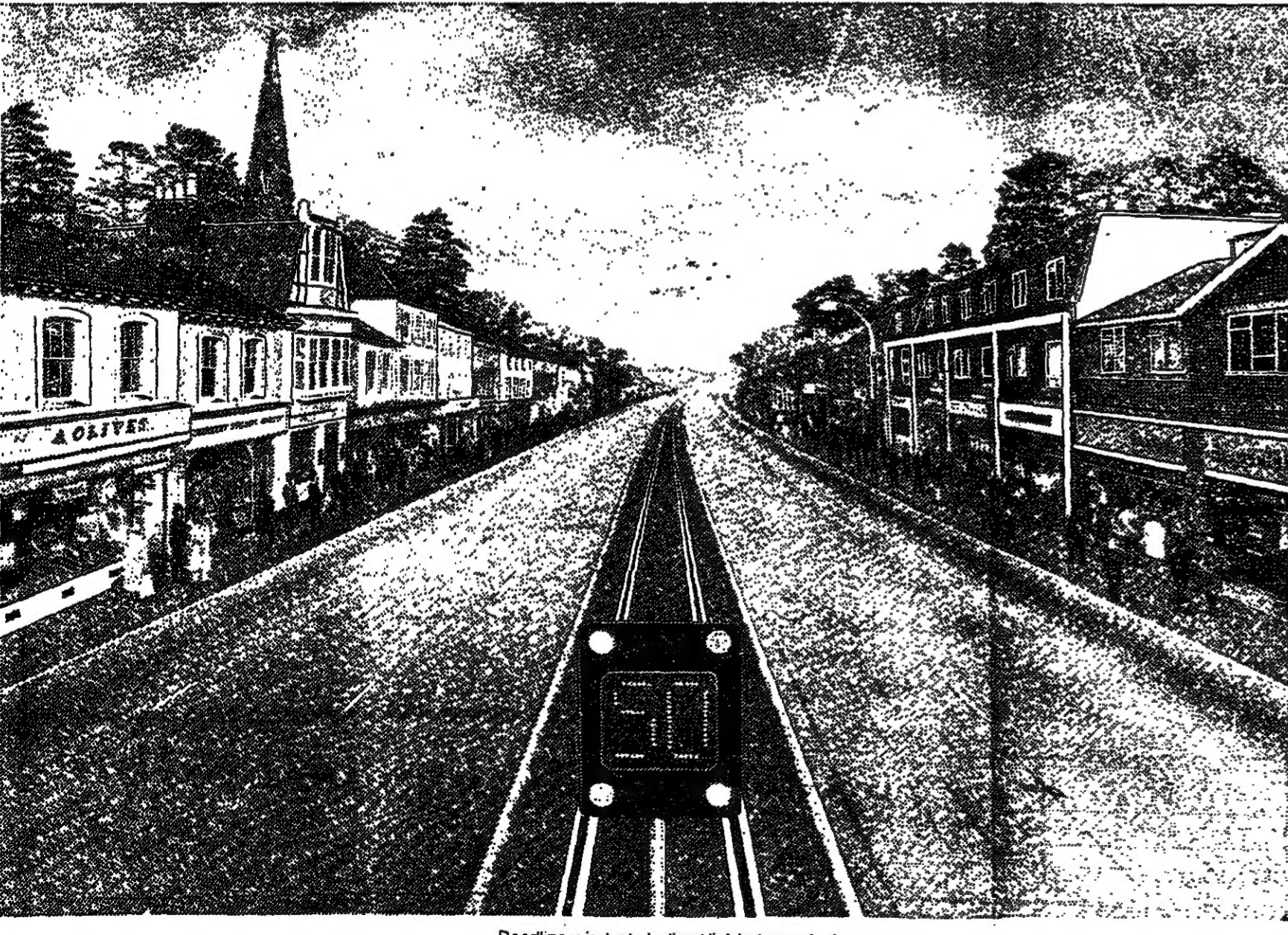
World output growth in the period is predicted to fall well below the post-war average and to average 3.5 per cent. a year or the OECD countries.

Growth in world trade manufactures is expected to drop to an average of 5.5 per cent. a year as trade restrictions increase.

However, in spite of its pessimism over world prospects, the Centre forecasts a better U.K. performance in spending, inflation, and output over the next five years compared with the previous five.

A worsening of Britain's non-oil trading position is forecast for this year, with a current account surplus of less than £1bn. This is expected to contribute to a fall in sterling in the foreign exchange markets, including a sharp decline against the dollar.

However, the recent success in curbing wage inflation indicates there are prospects of a lower rate of pay increase during Phase Four compared with an expected 14 per cent. rise in the total pay bill under Phase Three.



Roadline is industry's direct link between factory and shop. Our drivers know the quickest routes. Know where and when to call.

Our experience stretches to every High Street in the land. You can rely on us to collect and deliver daily. Or take care of final deliveries, by linking our Relay Express service to your own trucking schedule.

Each week we handle over 1 million packages. Each day we operate some 1,400 scheduled trucking services.

With 75 depots and over 8,000 vehicles no wonder we're as familiar a sight in the High Street as the postman.

Ring Roadline on 01-586 2210, day or night. We'll be with you directly.

Wherever there's a road, there's Roadline.

roadline
moving Britain's goods

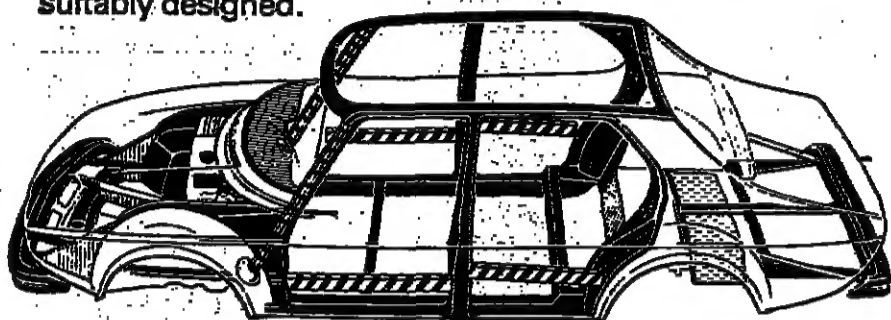
مكزامن النجف

A dramatic combination of technology and total driving pleasure

Saab—developed to beat some of the toughest driving conditions in the world

Some of today's toughest driving conditions exist in Sweden. So it is not surprising that we were one of the first car manufacturers to build a car that could cope.

Not just a car that gave the driver control in the most difficult situations, but a car superbly engineered to help protect the driver against other vehicles less suitably designed.

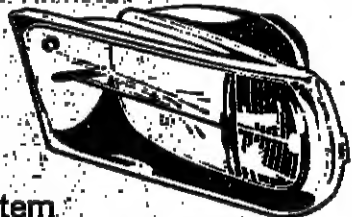


Every Saab is built with a passenger safety cage.

More attention to comfort & safety

Front wheel drive gives you unparalleled control in the worst conditions and our braking system is diagonally split so you'll always stop safely in a straight line—even with a front tyre burst.

Our headlamps have built-in wash/wipe mechanisms as standard.



And our demisting system

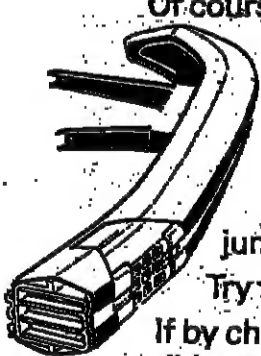
covers front, rear and even the front side windows. After all we believe there is little point in having a lot of glass unless you can see through it.

Inertia safety belts come as standard and on some Saabs you'll even find individual seat belts for the three rear passengers.

Because we thought you might care as much for those in the back as for those in front.

Of course, you are always at the mercy of other road users.

Our safety bumper is one of the few that really deserves the name.



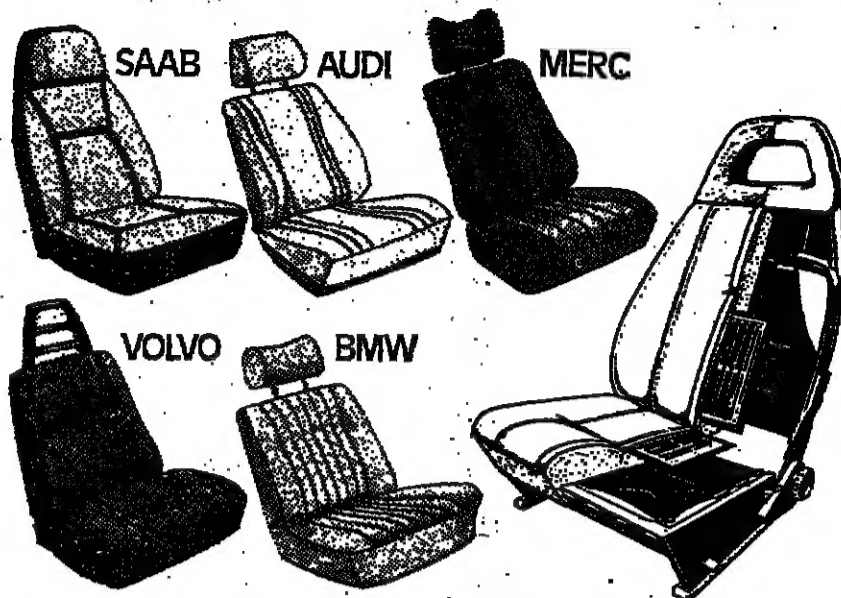
Next time you visit a Saab showroom, jump up and down on them—hard as you like.

Try that in a competitor's showroom.

If by chance, you do make contact with something solid, you'll be reassured that at up to 5 mph impact they simply flex back into shape.

Knock a little harder and for a few pounds you simply replace only the damaged section.

A real plus is the fact that both front and rear bumpers actually wrap around the sides as well. Extending our unique safety features all round.



The Saab seat has an integrated headrest/restraint, and the driver's seat is heated.

The ultimate in reliability

Safety of course is not much use if your car suffers from high repair bills and niggling problems.

Today it's become fashionable to show such problems as minimal.

We believe they should be non-existent.

Ahead of the field in many ways, we're proud to refer to a 1976 report in Motor magazine that said, "We chose a Saab as a best buy for at least one very good reason: reliability. We ran a 99 as a staff car for over a year, covering some 20,000 miles, and in that time literally *nothing went wrong*—it was the least troublesome car Motor had ever had on the fleet."

Open up the bonnet of a Saab and you'll probably understand why.

First it hinges forward—an extra safety feature, at the same time giving better access.

And then feel the metal.

The complete body work of a Saab is that much thicker than our competitors. So our other safety features are real—not just a last resort.

Leaders in technology—turbocharging for today's motorist

If all this mention of safety, reliability and quality makes you think Saabs are stodgy, then we've a dignified surprise—especially if you own a Jag, Merc or BMW.

Of our new Saab Turbo, Motor magazine wrote— "If the maximum speed of nearly 120 mph isn't impressive enough, then you need to look no further than the remarkable top gear acceleration to put the Turbo in perspective, between 40 and 100 mph the Saab accelerates faster in this gear than just about any four-seater saloon in the world. And that makes overtaking and cross-country ability of the sort hitherto the preserve of expensive exotica."

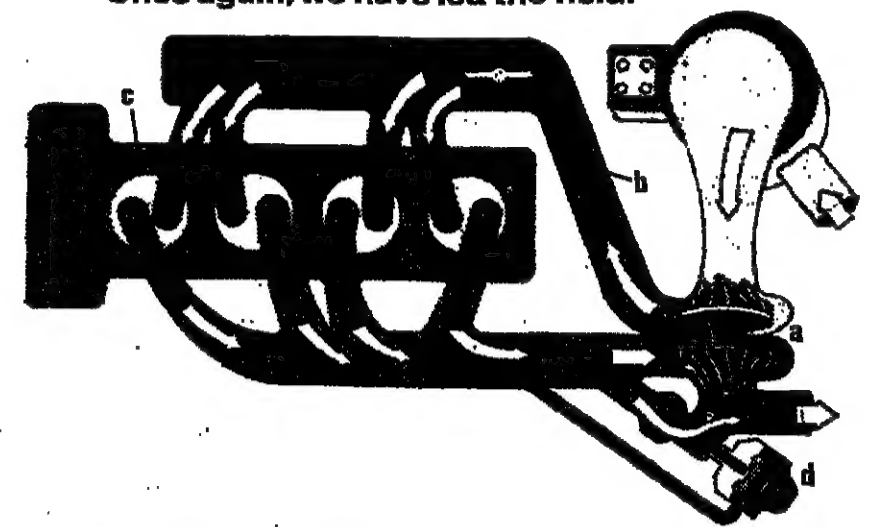
The Saab Turbo has indeed achieved universal press acclaim.

A unique valve in the Turbo system gives the perfect blend of performance and economy.

And even our 99L at just £4,150 will cruise all day at 100 mph—quietly.

And yet return over 30 mpg* under normal touring conditions.

Once again, we have led the field.



The exhaust gases drive the turbine (a) which in turn increases gas flow (b) through the engine (c). The unique valve (d) ensures that the charging pressure will be maintained at the required level throughout the speed and load range.

Servicing by enthusiasts

If you're fed up with impersonal servicing you'll be delighted by the Saab method—quite literally by enthusiasts.

Most Saab dealers (about 200 nationwide) are small garages who stand or fall by the service they offer.

So you'll get the type of attention you thought was the preserve of the elite.

A range to suit every need

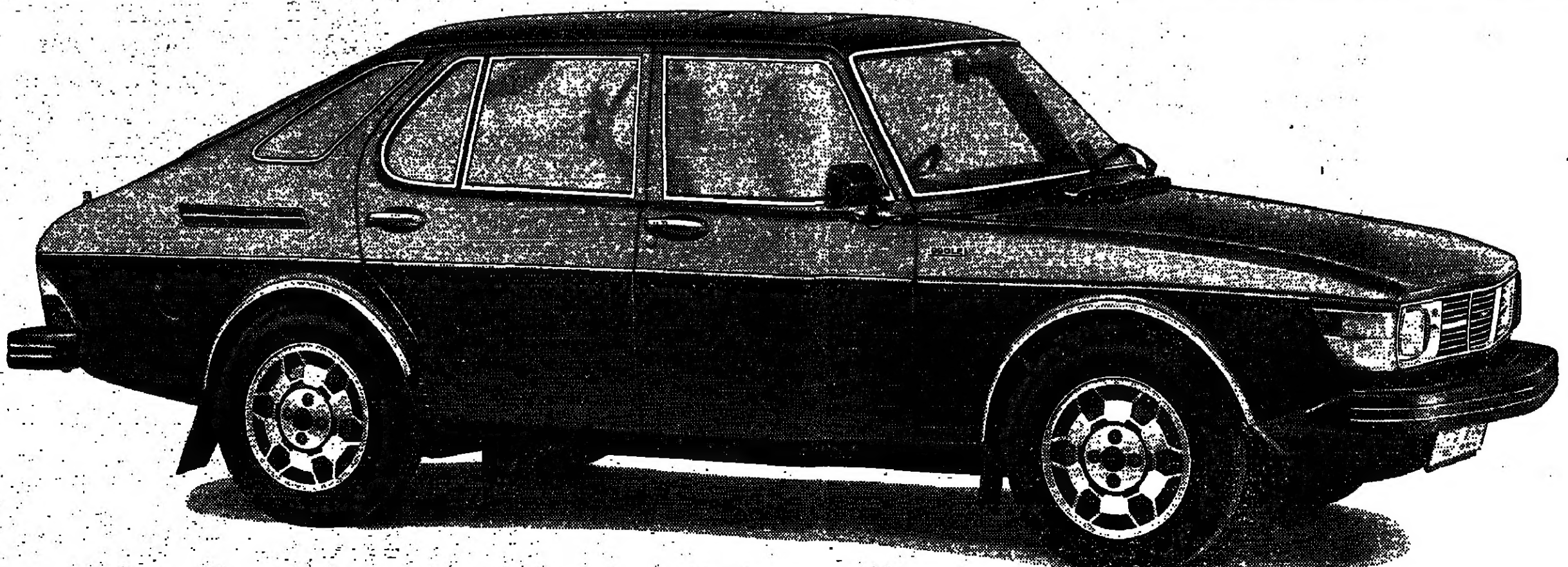


At Saab we don't just deliver an image—we deliver reality. If you are the same kind of motorist, with a mature sense of judgement, we've a lot to deliver.

And for most models, we'll deliver in about 2 weeks.

SAAB

One of the world's finer cars
SAAB (Gt. Britain) Ltd. Saab House, Fieldhouse Lane,
Marlow, Bucks. SL7 1LY. Telephone: Marlow 6972



The 99 GLE 5 DR

99L £4150 99GL 2 DR £4275 99GL Super 4 DR £4675 99GL Super Automatic 4 DR £4825 99GL Combi Coupe 3 DR £4785 99GL Super Automatic Combi Coupe 2 DR £5175 99GL Super Combi Coupe 5 DR £5155 99GL Super Automatic Combi Coupe 5 DR £5410 EMS 3 DR injection £5985 EMS 2 DR injection £5945 99GLE 5 DR £6225 99GLE 4 DR £5895 TURBO £7850 Prices include car tax, VAT and seat belts. Number plates and delivery charges extra. * Fuel economy—Motor Magazine.

PERIPHERALS

Ink jet can draw many characters

UNIQUE ink-jet system for attaining characters on moving order charts has been introduced by Gould Instruments Division. The ink-jet annotation system, available as an option on the Mk. 2000 Series and Mk. 2000 Series recorders, produces uniform, highly readable alphanumeric characters in a 7 dot matrix along the edge of the chart over many chart runs.

With the new ink-jet annotation system, the user no longer has to stop the recorder (and possibly lose valuable annotation) to make manual annotations. Ink-jet and analogue recording can simultaneously, so that annotations are closely associated with the analogue traces to which they refer.

The device also facilitates use of the recorder on an "exception" basis, rather than consuming chart paper whether or not an important signal is coming in. Ink-jet recording can be initiated in either attended or unattended service, and the device uses the incorporation of orders into automated computer-controlled test systems.

In medical monitoring or transient recording, for example, only anomalies need to be recorded, and these can automatically be identified in ink-jet characters on the chart edge by time, date, patient name, experiment number etc.

Important measurement parameters such as instrument sensitivity settings and chart speed can also be entered on the key-board and automatically noted on the chart along with the analogue traces to become a part of the permanent record.

The patented Gould ink-jet mechanism is a capillary "drop-on-demand" system which produces and ejects an individual droplet of fluid only when its piezo-electric transducer is pulsed by the drive electronics. Unlike continuous-stream systems, which require a catcher to collect drops, the Gould system eliminates the need for ink pumping, filtering and recirculating.

COMMUNICATIONS

Tests lines remotely

AIMED by Standard Telephones and Cables at the world's PTT authorities is a microprocessor-driven test equipment which enables engineers to check subscribers' complaints about faults from a central remote site, cutting back on local manual maintenance.

The Post Office in the U.K. is said to be "interested" in the system; overseas, STC has sold systems to two undisclosed authorities in the Middle and Far East.

Main advantage of the remote line tester (RLT) is that it does not require the use of dedicated lines but operates solely over the public switched telephone network.

The system consists of a central operating console with keyboard and small display, together with a number of remote units placed in local exchanges in the area that is to be monitored. Fault complaints are routed to the exchange where the console is situated. The test operator then dials the access code of the remote unit in the exchange to which the faulty line is connected, followed by the subscriber's directory number.

Remote unit is now connected directly to the troubled line: measurements and tests can be made from the console which receives the digitised results from the remote unit and displays them. If necessary the tester can talk to the operator to check, for example, the dialling unit.

If required, PTTs can employ less skilled staff to carry out initial fault investigation by using the pre-programmed auto-test facility. This uses built-in standards that distinguish automatically between acceptable and unacceptable results, which are simply shown as "pass" or "fail" on the display.

There is no limitation on the distance between the test console and the exchanges with remote units, and each console can handle any number of remote units.

Measures heat with accuracy

LOW COST, fast and accurate measurement of temperature over the range -150 to -1750 degrees centigrade is offered with 12 basic models in the 5000 series of digital thermometer. These are used with a variety of thermocouple, platinum resistance or nickel resistance sensors. Each instrument is calibrated to the relevant British Standard but may also be supplied to meet DIN, NBS and NF specifications.

Housed in a robust, injection moulded case, each instrument provides a three or four digit, seven segment LED readout of 10.2 mm height.

Modular circuit design and the use of a purpose made driver chip ensure long-term reliability coupled with low power consumption of less than 45mA.

Using standard HPI batteries the 5000 series permits more than 12 hours of continual use. Alternatively, MN 1500 (manganese alkaline) cells are available as much as 45 hours continuous or 100 hours intermittent use.

A battery recharger complete with five type AA rechargeable cells is available as an option. Channel Electronics (Sussex), P.O. Box 58, Seaford, BN25 3JB, Sussex. 0323 894951.

INSTRUMENTS

Boost for pipework suite

COMPEDA, the technology software marketing company set up by NRDC 14 months ago with a £2m. initial injection, is to market PDMS (pipework design management system) launched by the Computer Aided Design Centre (CADC) about this time last year.

To date the only "live" pipework modelling from PDMS appears to have been engineered at George Wimpey and at Harwell, and the object of the new exercise is to bring more acute marketing effort to bear both in the U.K. and overseas.

Compeda, with a slogan of "Computer systems for technology", is a wholly-owned subsidiary of NRDC and has been formed to market systems based on the results of university and Government sponsored research.

The object is to bridge the gap between research workers and industrial users by ensuring that products are specified to meet their requirements.

These include Gaelic, a system for the design of integrated circuits.

DATA PROCESSING

World bank network

CITICORP International Bank, part of the merchant banking group of Citicorp, has signed a \$500,000 contract with ACS (Applied Computing and Software) for the computerisation of bank services.

The contract forms part of a larger worldwide contract with ACS to computerise the activities of Citicorp International Group in the three major centres, London, New York and Hong Kong, and provide interactive links between each centre.

The contract is on-line mini-computer based using a Prime 400 Mini at each location. The automated merchant banking functions incorporate funds transfer, general ledger, word processing and message switching.

The development in London will take 12 months and the worldwide system about two years.

More from the maker at Peel Street, Morley, Leeds LS27 8EL. (0532 517921).

By agreement between the Financial Times and the BRL, information from the Financial Times is available for use by the Corporation's External Services, as source material for its own news broadcasts.

Filter for hydraulic systems

LATEST in the range of hydraulic systems equipment from Teit-Tale Filters is a duplex (two chamber) unit for mounting in lines working at pressures up to 1,500 psi.

Various models are available for flow rates up to 1,000 gpm, providing filtration down to 3 microns. Cleanable or disposable elements are available, and are interchangeable. Remote electrical indication of filter clogging is an option.

Main advantage of the unit is its ability to filter continuously. While one chamber is working, the other is on standby, and changeover between elements is by a pressure-balanced lever.

The filter has an external pointer which indicates "clean", "needs cleaning", and "by-pass" to indicate the state of the filter element. It continues to work in "by-pass" with a minimal amount of liquid being passed unfiltered to hold pressure differential within acceptable limits and prevent element rupture.

More from the maker at Peel Street, Morley, Leeds LS27 8EL. (0532 517921).

Welding Advances in processes

EVERY FOUR years the Welding Institute holds a conference on the latest advances in welding processes and technology. This year the conference will be at the Royal Hall, Harrogate, May 9 to 11, coinciding with the adjacent Welding Engineering Exhibition.

At the conference, speakers from nine countries will present 40 papers. There will be six sessions covering: Solid phase joining; Arc shielded processes; Gas shielded arc processes; Resistance welding and allied processes; High power density fusion; and applications in heavy section fabrication.

Details from the Institute, Abingdon Hall, Cambridge CB1 6AL. (0223 891182) - delegate's fee is £115.

MACHINE TOOLS

Hefty miller from Italy

LATEST in the range of milling machines made by Induma, Italy, is a horizontal spindle machine, designed so that all three axes are contained in separate structures.

Each axis is powered by a 5 hp dc motor with infinitely variable feeds from 3 to 8000 mm/min, driving through re-circulating ball screws. Drive and feed is aimed at high accuracy and gaining full potential from coated carbide tools.

There are two models differing only in the vertical travel and main spindle motor power—one with a 700 mm Y axis has a 15 hp motor, the other a 10 hp motor and 1000 mm Y axis. On both machines 18 spindle speeds from 33 to 1800 rpm are available. The X axis is 1250 mm and Z axis 600 mm, with Z axis options of 800 and 1000 mm.

Flexibility is added to the machine by an over-arm mounted above the spindle. This can be used as an arbor support for heavy duty horizontal milling, or to mount a 3 hp turret head with double knuckle joint and 140 mm quill feed. To give two-plane milling, a motorised over-arm can be supplied with a 5.5 hp motor and 100 mm quill.

Marketing in the U.K. is by RK International Machine Tools, Europa Trading Estate, Fraser Road, Erith, Kent. (01-304 8411).

Using compressed air as the motive power, the unit can achieve vacuum capable of conveying materials over 500 feet horizontally and 100 feet vertically. Pick-up hose diameter is 3 or 4 inches.

There are two models. One has a single cyclone collection hopper with a capacity of 84 cubic feet, the other has an automatic batch discharge cycle. The latter is intended for continuous operation, handling large quantities of material. It has twin cyclones, allowing one to discharge while the other is still collecting.

Details from the maker, Pneumatic Vacuum Conveying Equipment Unit, Halfpenny Green, Airdrie, Broomfield, N.Y. 10384-988 471.

CR1 extra-deep-drawing quality and the press is a 200-tonne large head area Cowlishaw-Walker. The finished sump weighs under 3 kg and is basically rigid. A simple reinforcement strip is spot welded below the bolt flange, followed by welding the drain-plug and two baffles to complete the unit.

More from Tailent Engineering, Aycliffe Trading Estate, Newton Aycliffe, Darlington, Co. Durham, DL5 6EY (0325 313322).

Deep-drawn engine sump

EXPERTISE in deep drawing has enabled Tailent Engineering to design, build and produce engine sumps for Chrysler UK as one-piece pressings. This has achieved reductions in tooling costs, assembly, metal loss from trimming the two parts, and the need to pressure-test each sump—for an overall saving of about 40p per sump, representing an annual saving of some £50,000 to the engine manufacturer.

The steel used is 1.2 mm thick

Further from Teledetector, Coneysyre Industrial Estate, Tipton, West Midlands, DY4 5YB. 021 557 3058.

QUALITY CONTROL

Components sorted fast

ELECTRIC makers of eddy current and magnetic non-destructive testing equipment, claims an advance in test-coil design which overcomes the relatively low throughput in the automatic sorting of small ferromagnetic components in comparison to the output achieved with similar products of intermediate sizes.

In practice, the sorting of small components for quality variations due to changes in chemical composition, heat-treated condition, metallurgical structure, hardness, case depth, dimensions, and so forth, has resulted in the slowing down of mechanical feeds and continuous bells conveying the products to the test-coil. This has been necessary to allow the product sufficient time in the optimum part of the coil

for the signal response to be monitored consistently. The new Teledetector coil design removes the need for a motor-driven conveyor belt, for when coupled to higher-speed 2 or 3-way sorting gates, the new Type 1136 Ferrous Segregator forms a complete testing system which can increase throughput from the 1500/2000 an hour achieved by belt conveyor systems, to as high as 7,000 per hour.

In addition to a faster operating speed, this new equipment has a number of other advantages. It is smaller, lighter in weight and, depending on coil aperture requirements, can show a cost saving of up to 10 per cent, for a complete sorting equipment.

Further from Teledetector, Coneysyre Industrial Estate, Tipton, West Midlands, DY4 5YB. 021 557 3058.

Advertisement for Peterborough Development Corporation. It features a large image of a plug and the text: 'Plug into Peterborough Workforce', 'Factories', 'Communications', and 'The Peterborough Connection'. It also includes contact information for Ring John Case, Chief Estates Surveyor, and the Peterborough Development Corporation.

Advertisement for Contracts and Tenders. It contains several sections: 'GOVERNMENT OF MAURITIUS' (Bulk Sugar Terminal - Port Louis), 'MINISTRY OF PUBLIC WORKS AND MUNICIPALITIES' (Tender Notice), 'SUDAN RAILWAYS STORES DEPARTMENT' (Supply of 7 (Seven) Tractors, Supply of 2 (Two) Sand Ploughs, Supply of 10 (Ten) Diesel Driven Inspection Cars), and 'GOVERNMENT OF MAURITIUS' (Bulk Sugar Terminal - Port Louis, Fire Pumps). Each section includes details about the tender process, specifications, and contact information.

Building and Civil Engineering

£18m. Sudan road project

AS AGENT of the Sudanese Government, the Rahad Corporation, in conjunction with the Roads and Bridges Public Corporation, has awarded a contract worth about £18m. to Sir Alfred McAlpine and Son AG. It is for construction of the Rahad road system to afford access to land covered by the Rahad irrigation project. This is the development of irrigated agriculture in an area of about 125,000 hectares of semi-desert on the east bank of the Rahad river.

The road network will consist of 80 km of spine road and 80 km of feed roads, with the spine road leaving the Wad Medani to Gadarif road about 14 km from Wad Medani. These roads will consist of an embankment about one metre high of granular material laid on compacted black cotton soil and paved with 250 mm of crushed stone.

Structures will include an 84-metre-long, five-span, reinforced concrete bridge, with piled foundations for the piers and abutments, over the Rahad river, and there are to be about 30 other structures varying in size

£2m. awards to Scott Hale

CIVIL engineering contracts worth over £2m. have been awarded to Scott Hale (Contractors).

The biggest contract is from the London Borough of Newham and is for a new main access road to Beckton to serve the development planned in the area of the Royal Group of Docks.

Costing £1.2m, it calls for 2.61 kilometres of 7.3 metre wide carriageway, including three roundabouts. There will also be 1.6 kilometres of surface water drainage in open cut requiring the use of dewatering techniques and special trench lining.

Other awards include improvements to the A12 junction with Mawney Road (£188,000) and surface water sewers at Upminster Road South (£47,000) for the London Borough of Havering, a junction improvement at Selston Park Road (£154,000) for the London Borough of Croydon, roads and sewers at Storrington, Sussex (£134,000) and footbridges at Twickenham and Sunbury (£105,000) for the Greater London Council.

Work in the Midlands

COMPANIES in the Season Group have won contracts worth over £6m. for work in the Midlands.

Largest job is for 164 dwellings at £1.4m. for East Staffordshire District Council at Mona Road, Burton-on-Trent. For the City of Birmingham, 70 dwellings are to be built at Ossett College for £0.8m., and 48 dwellings are to be built at Beeston, Notts., for the Royal British Legion Housing Association at £0.4m.

Under a joint venture scheme with Nottingham City Council, 53 houses are to be built for sale at The Meadows under a £0.7m. contract. At Countesthorpe, Leicester, for the County Council, a high school is to be built at £0.4m. and at Batley 42 dwellings on two sites for Kirklees Metropolitan Borough Council, also at £0.4m.

The Group reports that it has obtained planning permission on 214 housing plots on five sites, with a created value of over £2m. and expects to sign contracts for two further schemes worth £1.1m.

Tiles made on building site

A MOBILE concrete roof tile plant has been developed by Redland Roof Tiles.

The complete unit can be transported on not more than six 20-tonne lorries and no single piece of equipment is more than 20 feet in length. Site requirements are a simple canopy, a concrete apron, water and fuel oil for the concrete curing system. Electric power can be provided by a skid-mounted generator.

Production is based on an output of 5,000 tiles per eight-hour day. The plant which produces smooth-surfaced plain or through-coloured interlocking tiles, is designed for relatively labour-intensive operation but can be successfully manned by a minimum of nine people, says Redland.

Pipe-making in Nigeria

TURNER AND NEWALL is to spend a further £1.8m., in addition to the £6m. expansion announced in 1977, on new plant for pipe manufacture in Nigeria.

The latest investment will finance a diversification project at Turners Building Products (Emene) to build a plant for the manufacture of plastic pipes.

The pipes will be made in the 75-200 mm. diameter range, allowing the company's existing asbestos-cement pipe plant to be used increasingly for the larger diameter pipes required for water distribution, sewerage and drainage. They will be sold through the existing Nigerian pipe distribution network.

Developing a trading estate

PROPOSALS for 260,000 square feet of light industrial warehousing within an 18-acre partially completed site on the A8 Edinburgh road at Baillieston, Glasgow, are to be prepared by Scott, Brownrigg and Turner (Glasgow) for the Municipal Mutual Insurance Co.

Five warehousing units on the estate, one of the largest in the Strathclyde region, are already occupied and planning consent has now been obtained to develop the remaining 14.5 acres of land. Tenders are expected to be invited soon.

It is expected that 15 units will be built for letting. Building costs are estimated at £3m.

Factories to be built

BIGGEST CONTRACT in recent awards to companies in the Douglas Group is for the construction of seven factories at £1.9m. for Telford Development Corporation at Stafford Park, providing a total area of 21,004 square metres production space and 2,253 square metres offices.

The factories are steel framed on strip footings with concrete floors and the offices will have load-bearing brick walls. Work is now starting and the factories will be handed over progressively from November this year to July next year.

The company is demolishing the Larden Road works of C&J at Acton and replacing it with a steel-framed single storey building measuring 100 x 53 metres under a £0.9m. contract.

Other large contracts are for a factory extension at Skelmersdale for Richardson-Merrell for £0.6m., and a building for Associated Tyre Specialists (North West) at Altrincham valued at £0.2m.

Altogether the group has won contracts totalling £7.5m.

£2.3m. Hull housing

GEORGE WIMPEY has won two contracts valued at £2.3m. for the construction of 314 dwellings at Bramholme North for the City of Kingston upon Hull.

Both schemes, which are designed by the Hull City Architect, are to be built in Wimpey's No-fines concrete technique.

Homes for well over 1,000 people will be provided in 236 two-storey houses, 26 two-storey flats and 48 bungalows. There will be a further seven one person link flats to be built in traditional brick construction.

Controls the sun blinds

AN AUTOMATIC control system for the operation of sun blinds and awnings mounted on the exteriors of buildings has been put on the market by Solar Protection Equipment.

The equipment has been devised to operate at pre-set levels of sunlight and wind speed but at the same time allow for short cloudy periods when it would be unnecessary to withdraw the blinds.

Light intensity range for operation is 3,000 to 30,000 lux and wind speeds from Force 2 to 12. There is only a delay of 15 seconds when the wind speed threshold is exceeded; there is a manual override facility for the solar function of the unit.

The system can be used with any installation where blinds are powered by electric motors. Details of the equipment can be obtained from the company at Station Road, Alresford, Hants. (Alresford 3014).

Motel in Syria

AT HAMA, near Damascus, Syria, a 110-bedroom motel is being supplied by the Lesser Group under a contract worth £1m. The 10,000 square metres building will accommodate some 350 people.

Included in the contract are buildings and services, and the supply of kitchen equipment and furnishings for the restaurants, lounges and bedrooms. Started in January, the work will be completed by May.

Initially the motel will house personnel of the Czechoslovakian company Techno Export which is building a pneumatic tyre factory at Hama.

Cranes for Hong Kong

RICHARDS and Wallington Industries and the Sims Darby Group have formed a joint crane hire company in Hong Kong.

Trading as Crane Rental and Rigging (HK) the venture is in equal partnership. The new company will operate a fleet of lorry-mounted cranes up to 125 tons capacity.

Crane Rental and Rigging will also offer for hire rough terrain telescopic jib cranes and a comprehensive heavy lifting and rigging consultancy service.

Sims Darby is one of Richards and Wallington's two partners in the crane and plant hire activity. P.T. First Indonesian Plant Hire, set up in Indonesia three years ago.

Upgrading flats

MODERNISATION OF flats on two estates owned by the Sutton Housing Trust is to be carried out by Correll Construction under a contract worth nearly £3m.

At Upper Street, Islington, 198 flats are to be converted over a two-year programme into 158 modern flats, while at Cale Street, Chelsea, 158 flats will have kitchens and bathrooms modernised, heating installed, re-wired and decorated in 40 weeks.

£1.3m. homes project

ACCOMMODATION for elderly and disabled people, with easy wheelchair access to the nearby shops, is included in a £1.3m. housing association project in Cleveland.

The contract, for 127 homes in Cass House Road, Hemlington, near Middlesbrough, has been awarded to John Laing Construction by Habitatat Housing Association. Work has just started and completion is due by the autumn of 1979.

The development will comprise bungalows and two- and three-storey houses, flats and maisonettes. They will be of traditional construction and arranged in small blocks in courtyard configurations to engender a neighbourhood atmosphere.

Rail and bus interchange

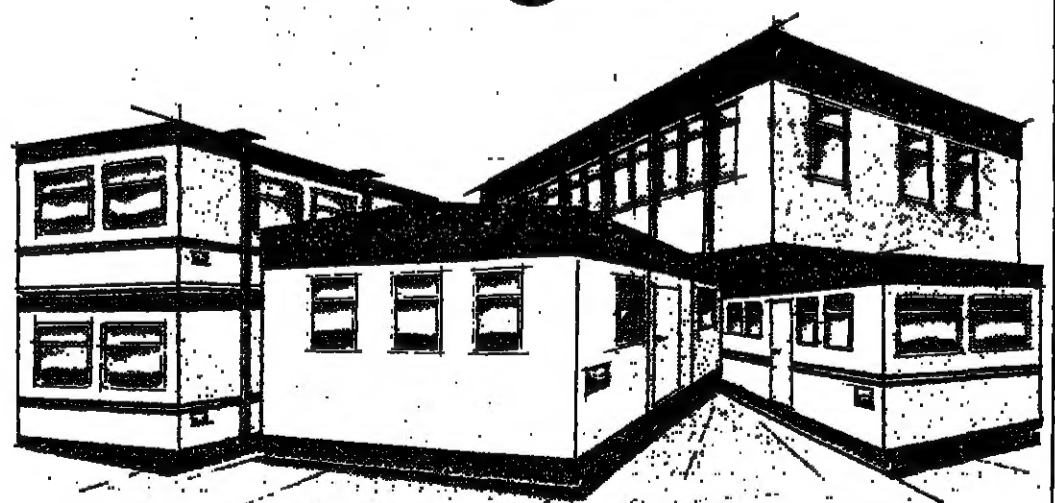
ROBERT WATSON AND CO. (Constructional Engineers) have been awarded a contract worth about £1m. for a bus and railway station interchange at Bury for Greater Manchester Passenger Transport Executive.

Two crescent-shaped roofs will be constructed over the bus station which will include an office block. A canopy is also to be built over the railway station platform. The bus station will cover an area of about 70 metres x 160 metres.

IN BRIEF

- William Moss (Construction) has been awarded a £5m. contract for alterations and additions to factory premises at Braunstone, Leicester, where Metal Box is setting up a new £27m. can-making plant.
- A £150,000 contract for the design and supply of steelwork and exterior cladding for storage buildings at a new sugar factory in Juba in Somalia, has been awarded to Fairmile Engineering of Poole, Dorset.
- Construction of 48 senior citizens flats for the Royal British Legion Housing Association is to be undertaken by Robert Marriott (French Kier Group). Value of the contract is £386,000.
- Wimpey Laboratories and Polytechnic Marine have formed a joint venture company registered as Wimpey-Polytechnic Offshore and trading under the name "WIMPOL". The new company, which is 50 per cent. owned by Wimpey and 50 per cent. by Polytechnic Marine, will specialise in offshore survey and inspection. Wimpey's business premises are for the time being located at Wimpey Laboratories, Hayes, Middlesex.
- Thomas Weatherhead is to build a 685 square-metre factory for the Royal Institution of Engineers, Netherlands, in co-operation with the European Organisation, from whom further details can be obtained at Waltham 2244, 3098EL Rotterdam.
- Quoting some "dire warnings" of the losses that can be caused by fires starting in temporary buildings on construction sites, British Engine Boiler and Electrical Insurance Company, has published a 12-page "Guide to Good Practice" concerning the scope, siting, preferred construction, etc., of bins and site offices. Copies are available from British Engine on 061-553 9292.
- An international conference, symposium and exhibition on dredging and tunnelling is to be held at the RAI Complex, Amsterdam, November 14-18, organised by the Royal Institution of Engineers, Netherlands, in co-operation with the European Organisation, from whom further details can be obtained at Waltham 2244, 3098EL Rotterdam.

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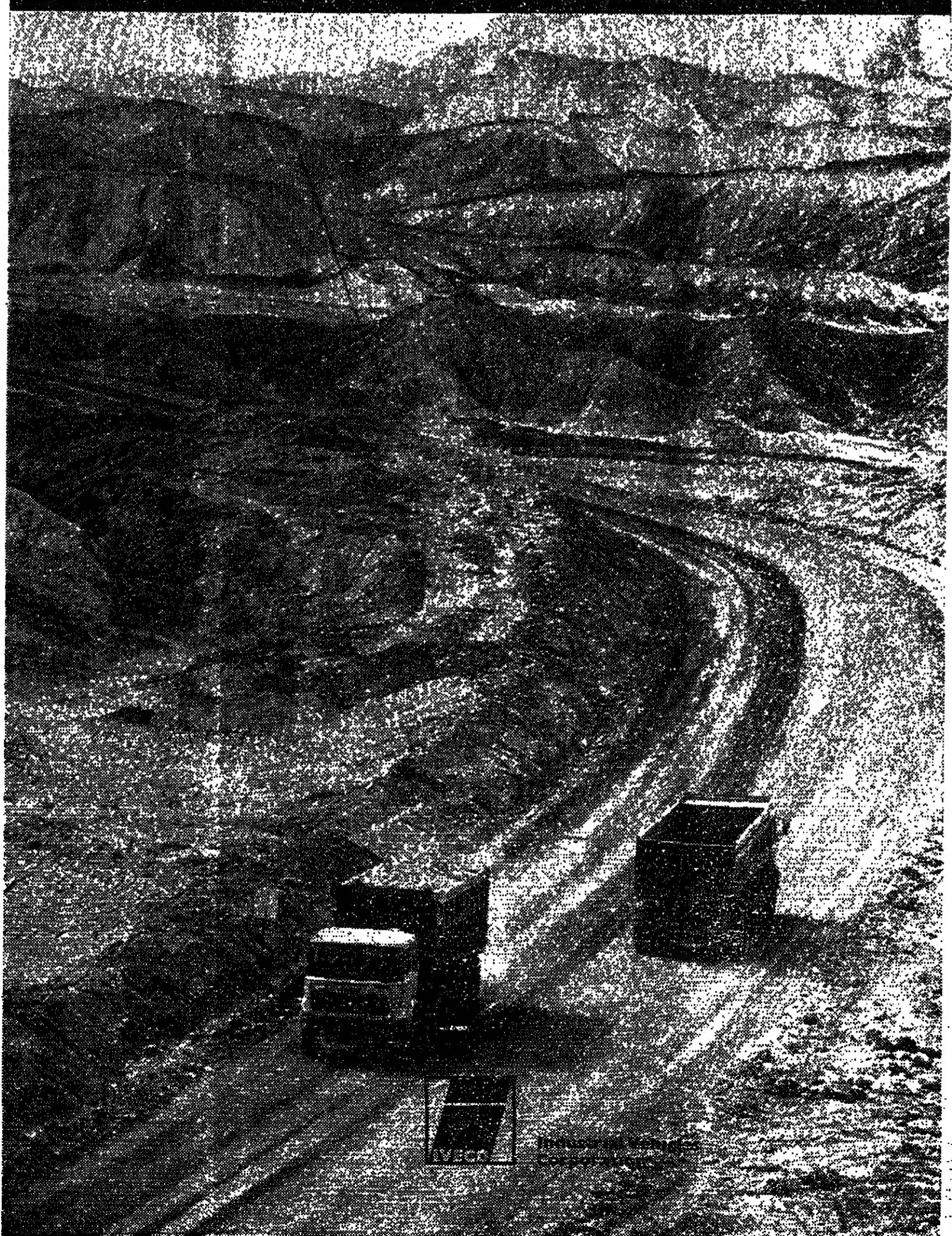
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The Executive's and Office World

EDITED BY CHRISTOPHER LORENZ

Beware your programmer!

MPUTER-AIDED fraud and prevention has become a highly sophisticated battle of wits in which many managers are only the haziest idea of the und rules.

The clever programmer on imate terms with the codes i symbols used by his com- y's machine has an enormous vantage over anyone trying to tect fraud by reading the al figures.

Take, for example, the man io reprogrammed a machine to bract a few cents from every iocasion made by the com- ny and pay the "lost frac- ms" into his own special ount. His fraud was only scovered because it was too ficient. The man became armed at the large sums he as embezzling and realised at if he stopped the fraud ere would be a suspicious in- ease in the company profits.) he confessed.

A simpler method used by ie programmer was to instruct ie computer to pay him extra dinary cheques. He was dis- overed when the surplus neques were seen piling up on is desk while he was on hol- ay. In neither case could the raud have been detected by in- pecting the actual operation of ie computer.

Even when such frauds are iscovered, companies often efer not to prosecute. How- ver, there is little doubt that he losses involved are fairly arge.

An inquiry by the Stanford earch Institute, of .Cal- ornia, indicated that only about 7 per cent. of computer fraud ases are attributable to pro- rammers. But this is not a re- assuring figure. Not only can direct interference with pro- grams be extremely difficult to detect, but the relative sophisti-

cation of programmers means that the amounts of money in- volved may be high.

An analysis of known losses in 65 cases of all types of fraud involving information held on computers between 1964 and 1973 showed the average loss to be about \$1.4m.

Naturally data processing managers and systems designers have devised a whole range of security checks to make fraudu- lent interference with the programs as difficult as possible.

Last month two former ICI employees received heavy jail sentences for stealing key computer tapes. Max Wilkinson reports on the risks of computer fraud.

For example, program libraries and data stored in the computer can be protected by secret codes known only to senior staff. Unless the computer is given the relevant code, it will not allow the program or data to be altered.

However, the fraudulent programmer can break down this barrier quite easily, and sometimes he takes a keen intellectual delight in doing so. One method is to get the computer itself to break the password. The programmer could for example instruct the computer to run through every number from zero to 1m., which it can do in 10 seconds.

Every number is run through in sequence until the "pass- word" is reached. Then the computer will automatically release the secret file.

A more serious limitation of most security systems, however, is that they operate on the

higher level programming languages — which resemble everyday English — rather than the much more detailed machine code which may be employed to commit the fraud.

To appreciate the danger, managers need to know the three basic phases in the evolution of a computer program. Consider, as an example, a program needed to guide a robot from St. Paul's Cathedral to Kings Cross in London.

FIRST: The systems analyst

much more tedious. It specifies not merely every movement of every limb during the journey but every one of the thousand of computer operations needed to define each movement. This "executable programme" would have to dovetail with all the routine programs built in to the machine as, for example, the program to make it keep its balance.)

This laborious translation itself can usually be done automatically by a computer, using a standard program. But it is also possible for programmers to make subtle alterations which, to continue the analogy, might make the robot deliver an unauthorised document, en route.

It is within the labyrinthine complexities of machine coded instructions that security is most difficult to enforce. For the manager can have no certainty that the source program checked by himself or the accountant has been accurately translated, or once translated, has been kept inviolate.

This difficulty is accentuated by the frequent need to update programs, for example, to accommodate tax changes or new procedures.

How can the manager be sure that only the specified changes have been made and that fraud or incompetence has not been allowed to interfere with the routines he wants to be pre- sented?

One answer, revealed only this month, is a special program developed by one of the leading American software houses (program writing companies) to act as a sort of security guard over all the tapes and discs where machine language programs are stored.

This package, developed at a cost of \$1m. by Pansophic of



Chicago can be used only on the larger IBM380 and 370 machines. It is claimed to be the first system of its kind to cope with surveillance and management of programs at the machine-language level. It also does a series of routine file management chores related to the updating of programs and reorganizing those which have been superceded to the archive.

But from the general manager's point of view perhaps the most interesting point is that it includes a series of codes and safeguards, which Pansophic claims would be almost impossible for a bent programmer to crack.

Mr. Bill Dunn, the company's U.K. manager explained that the security locks were incorporated into the program as "irreversible algorithms," which means they are cunningly concealed in the actual structure of the program. Anyone who tried to tamper with them would find the whole system fell apart and the computer would stop running.

The series of numerical keys and locks built into the system allows only designated people

Company benefits are moving beyond the fringe

THE PROLONGED pay restraint of recent years and the high level of taxation have resulted in a continuing expansion of fringe benefits. But the considerable increase in employee expectations has not been matched by a change in company policies, so that "pockets of dissatisfaction" have developed.

These are two of the main points to emerge from a new British Institute of Management survey on employee benefits.

Some 48 per cent. of the 400 companies surveyed had made improvements or added to their employee benefit package during the last three years of pay restraint, according to the report: 45 per cent. were committed to improving benefits and when pay restraints are lifted.

What is particularly significant, according to the survey, is the considerable narrowing in the difference between benefits available to staff and manual employees since the last similar survey in 1973. This is partly of many companies' policy of reducing "status divisions," so the lower levels of management, clerical and manual employees will enjoy comparable benefits and conditions. But it notes that this process is "by no means complete or accepted as inevitable": there are still considerable areas where entitlements are still mainly managerial.

In addition, the BIM says that at top management level the range of benefits is likely to increase: it expects this situation to continue until there is a change in calculating personal taxation.

tive further increase to £7,500 in April this year. In spite of this, the survey warns that until income-tax levels are reduced, employers will continue to develop benefits for the highly taxed. "It can often be cheaper to provide a benefit than it would be to provide the same net increase in salary — even if income policy allowed."

The greatest growth in employee benefits has been in pensions, with 55 per cent. of the surveyed companies reporting main additions or improvements since 1973. There were also major improvements in the provision of holiday entitlements, sick pay, medical insurance and company cars.

The survey did not find that the decision to improve benefits was related to company size, but it did note that certain sectors of industry had made greater advances: in particular were food, drink and tobacco companies, instrument and electrical engineering, printing and publishing and holding companies.

Surprising

One particularly surprising aspect in the report is that only about a fifth of companies regularly calculate the cost of the benefits they provide. As it points out: "In 1973 benefit costs represented less than 20 per cent. of total payroll costs in a significant number of companies. This is no longer the case and, especially in larger companies, figures well in excess of 30 per cent. are not uncommon."

However, all those companies which employed remuneration specialists made regular checks of the costs of employee benefits. The survey predicts that as the costs of benefits rise companies will become more rigorous in their examination: "and will assess their value more carefully in attracting, retaining and motivating employees."

BIM Management Survey No. 37, Employee Benefits, British Institute of Management Publications, Management House, Parker Street, W.C.2, £10 to members, £20 to non-members.

Jason Crisp

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Strategy and Tactics for Effective Takeovers, The Sheraton Park Tower Hotel, London. April 24-25. Fee: £140, plus VAT. Details from Eurotech Management Development Service, 92, Fleet Street, London EC4.

International Tax Conference, The Atlantis Hotel, Zurich, Switzerland, April 18-21. Fee: S.Fr. 2,500. Details from the Admissions Secretary, Centre d'Etudes Industrielles, 4, chemin de Conches, CH-1231 Conches, Geneva, Switzerland. Telephone (022) 47 1133.

Business Strategies in the Middle East, Grosvenor House, London. April 6-7. Fee: £325. Details from AMR International, 4-10, Frederick Close, Stanhope Place, London W.2.

Personnel Management, Center for Education International Management, Geneva, Switzerland, April 17-21. Fee: S.Fr. 2,500. Details from the Admissions Secretary, Centre d'Etudes Industrielles, 4, chemin de Conches, CH-1231 Conches, Geneva, Switzerland. Telephone (022) 47 1133.

Recent Developments in Economics, Brunel University, Middlesex, April 25-28. Fee: £175. Details from Brunel University, Uxbridge, Middlesex.

Improvement

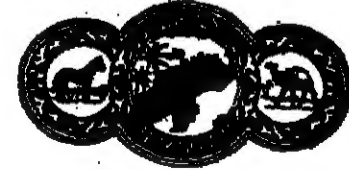
Most of the improved benefits during the first two years of pay policy were of little or no cash value, but the latest round has spawned a wave of claims for benefits, "just as prominently at the bargaining table as pay, both at shop floor and non-manual levels."

One change in taxation which has helped the middle manager, the BIM notes, is the raising of the threshold above which benefits are taxable, from £2,000 in £5,000 in 1976, with a prospec-

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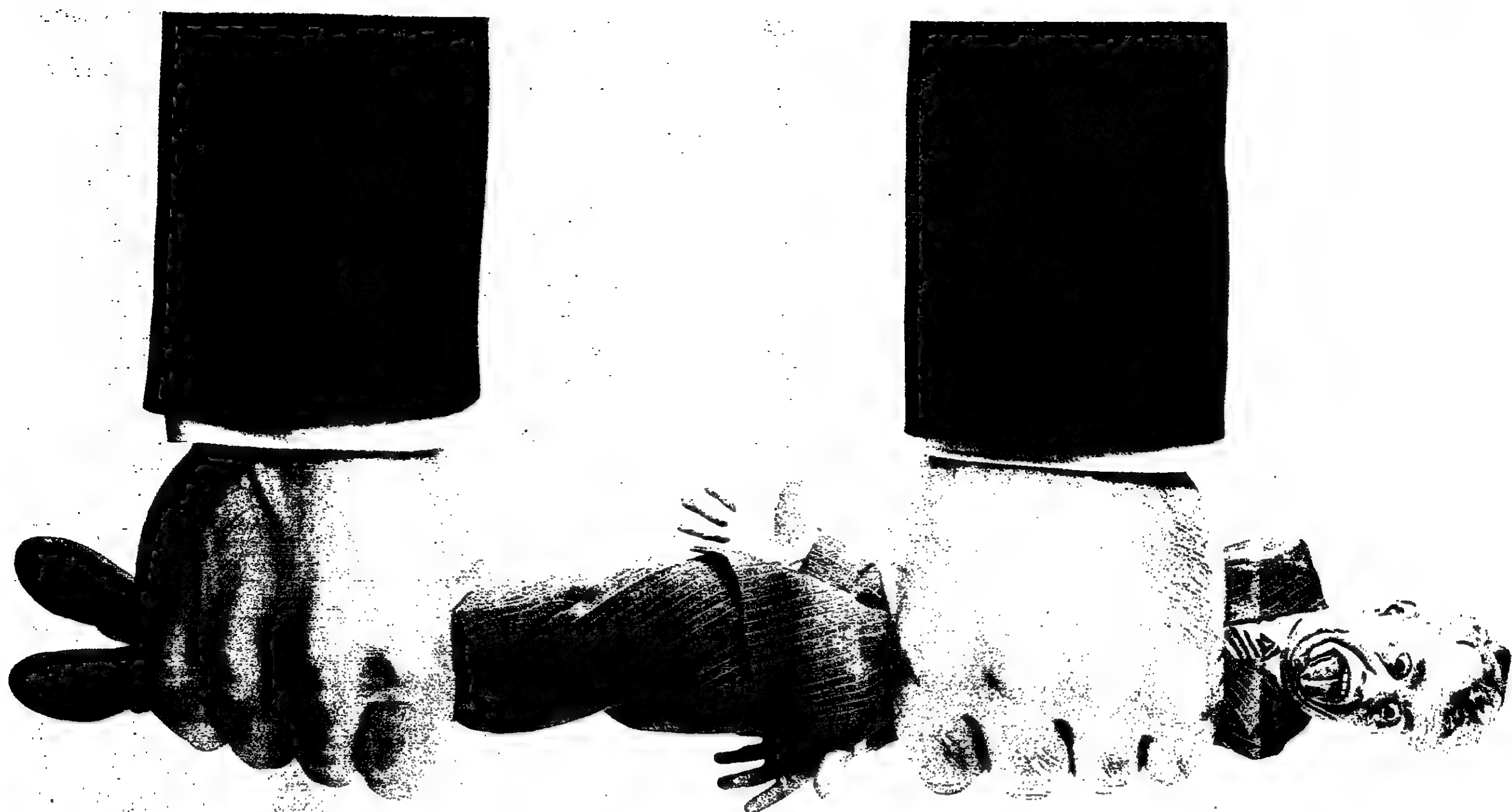
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Tory economics and the City

PETER RIDDELL

CONSERVATIVES appear to be overcoming some of their disability problems on economic policy, at least in their natural constituency of the City. The Rudd survey of fund managers indicates a more favourable market response to a Tory election win than a year ago when the Lib-Lab pact was in vogue. There is less talk now about how Mrs. Thatcher would treat the City. The Tory position is still a pretty safe group in the City which, least privately, would be content with a continuation of a Thatcher/Healey administration.

Worrying

The improvement in the Conservative standing in the City is doubt in part associated with an approach of the election and a possible leftward shift in Labour post-Cullaghan. And the Tory leadership has been working hard to answer any questions about the nature of its economic policy with speeches by Mr. Thatcher in the City, a major speech on monetary policy by Sir Geoffrey Howe. But the statements have certain worrying features.

Sir Geoffrey left no one in any doubt that he is the rising hope of the Tory and unbending monetarists (to misquote Macaulay on the young Gladstone). His discussion of the recent position—the difficulty of securing a significant reduction in either price inflation or unemployment on present policies—would certainly receive wide support, as would his view of monetary policy as providing the necessary framework for the stability essential to the achievement of other objectives.

The objections arise over Sir Geoffrey's interpretation of monetarism and his suggested accompanying institutional reforms. He is less than completely fair to the recent speech on economic management from Sir Douglas Warr, the Permanent Secretary to the Treasury. While Sir Douglas was certainly sceptical about the exact relationship between monetary policy and prices and output, he basically argued for a balanced approach with a monetary target consistent with a fiscal stance. Indeed in view of Sir Geoffrey's criticisms I wonder how discussions between ministers and

officials on monetary policy would go if he became Chancellor after the election: perhaps Harold Pinter ought to provide a script.

Sir Geoffrey has few doubts that monetary policy should be accorded primacy over fiscal policy and he stresses the need for a gradual reduction in the rate of growth of money supply in line with firm targets. This de-escalation has proved to be beyond even some of the more cautious monetarists, though it is certainly a desirable long-term objective. Sir Geoffrey rightly warns about the dangers of a rolling target as merely a presentational device to conceal a relaxation of control but he underestimates the need for flexibility.

There may be a need for alertness in face of "neo-Keynesian" and "political expediency" within the Treasury, but there is surely a middle way between Sir Geoffrey's brand of monetarism with its incidental belief that public spending should not be increased. But where I find Sir Geoffrey's speech both most stimulating and, in parts, least plausible is the section on spreading monetary understanding. His ideas for establishing some kind of forum—possibly a broadened Cuddy Council, including the Bank of England—so that the major participants in the economy could consider together the Government's fiscal and monetary policy is sensible.

Independence

Sir Geoffrey is right to call for greater Parliamentary involvement in monetary policy via closer public contact with the Bank but quite wrong to argue that this should be linked with greater independence for the Bank. There are, of course, many drawbacks in the present system where monetary policy is subject to short-term political and electoral influences.

But there is no way in which decisions on monetary targets and interest rates can, or should, be taken away from the responsibility of central government, to be given either to some special currency Board or a more independent Bank of England. The Bank is an integral though clearly special part of the administration and attempts "greatly to strengthen the power of the Bank to resist interference from government" would be misguided. We do, after all, elect a government to be responsible for monetary policy.

THE WEEK IN THE COURTS

Wider view of Closed Shop

BY JUSTINIAN

THE CLOSED SHOP, that political football of industrial relations, has bounced on to the international legal scene. The European Commission of Human Rights has admitted an application by two workers who claim that the Trade Union and Labour Relations Act 1974 is a violation of the European Convention on Human Rights, in so far as it imposes the closed shop.

Article 11 of that convention guarantees the right of freedom of association with others. But does that include the freedom not to join an association? On the face of it, the article does not prohibit the closed shop system, whereby a man cannot be employed ("pre-employment") unless he is a member of a particular trade union.

In many countries the freedom not to join is put on a par with the freedom to join. It is argued that if people have the fundamental right to join a union, they have the equally fundamental right not to do so. The law should not prevent anyone from being a union member, nor should it compel him to enter a union.

Attractive

But this is not enough. Just as the law must see that people can effectively exercise their freedom of association, so it must ensure that they are not forced to join a union, or to remain a member of one, if they do not wish to. The law must also protect people from being pressed to join. No one must be forced to join a union, or to remain a member of one, if they do not wish to. This is as obvious as exposing him to the dilemma between getting or holding a job and joining or remaining in the union of his choice.

For many people this reasoning appears to be intellectually attractive. Its symmetry is superficially satisfying—satisfying enough for it to negotiate the first hurdle in the legal procedures at Strasbourg. But there is a long way to go before the European Commission and/or the European Court of Human Rights finally determines the issue.

The legislative saga of the closed shop in U.K. started with the Industrial Relations Act, 1971. Under that legislation the employer could not act on a closed shop agreement or practice without the risk of being sued for the equivalent of damages by a non-union member who suffered from this.

The employer might have welcomed it if a worker joined a union the employer had recognised, though this involved discouraging workers from joining

another union. But apart from that, neither preventing a worker from staying outside any, or a particular organisation, or if he insisted on doing so, the employer might not for that reason dismiss the worker or penalise him, or discriminate against him, or refuse him any benefit he gave to union members.

If the employer, under the 1971 Act, did any of these things the worker could go to the Industrial Tribunal and get an order against the employer for damages up to 104 weeks' pay, or £4,160. The union might have to contribute to that award if the worker acted under pressure.

The Trade Union and Labour Relations Act, 1974, swept away that ill-fated piece of legislation. Under the present law an employee who is dismissed from his employment on the ground that he refuses to join a union is regarded as unfairly dismissed. The law sanctions the closed shop to the point that the workman who declines to join the union in the closed shop system has no remedy for refusing to accept union membership.

Paragraph 6(5) of Schedule 1 to the 1974 Act provides that dismissal of an employee by an employer shall be regarded as unfair if the dismissal is on the ground that the employee was not a member of the specified union, or had refused or proposed to refuse to become or remain a member of that union.

The only exception is where the employee genuinely objects on grounds of religious belief to being a member of any trade union whatsoever, or on any reasonable ground to being a member of a particular trade union, in which case the dismissal is regarded as unfair.

The question which the European Commission on Human Rights will have to decide is whether that provision does contravene the convention.

The preparatory work on the framing of the convention, in 1950, shows that the authors

were alive to the issue of the closed shop. It was on account of the rival views about the closed shop that it was thought undesirable to include specifically the principle which had been set out in Article 20(2) of the Universal Declaration of Human Rights, to the effect that no-one may be compelled to belong to an association.

The Universal Declaration of Human Rights deals with the right that no one shall be compelled to belong to an association as distinct from the right of association in general.

Provision

The two applicants before the European Commission are arguing that the freedom not to associate is simply the reverse side of the provision which protects the right to associate, and that there is no significance in the omission from the European Convention of the freedom not to associate. But the British Government points, with force, to the fact that the authors of the European convention deliberately did not replicate the provision in the first modern instrument on human rights.

There is perhaps nothing very extraordinary in the 1974 Act aimed at upholding and enforcing the closed shop. In practice in the industrial countries of Western Europe the law has been very effective in ensuring the reshaping of industrial relations. Workers seeking employment are not likely to obtain work without a union card. And if they happen to be in an industry where hitherto there has not been closed shop, the attempts to enforce 100 per cent membership will not unduly perturb the vast majority of workers. The deprivation of the right not to join a union has only a symbolic effect. Whether that pragmatic approach will persuade the European Commission to decide the legal question in the favour of the two workers who do object to the closed shop remains to be seen.

Call to change mining rights procedure

A CHANGE in the procedure for opencast mining applications is being called for by Greater Manchester which claims that at present the Energy Secretary can act as judge and jury.

The council is asking that future applications for opencast coal mining be determined by local authorities.

The council's planning com-

mittee says that under present rules the Energy Minister determines coal extraction targets and opencast mining applications, creating a potential conflict.

It is calling on the Energy Department to give a clear statement of what opencast operations are envisaged for Greater Manchester over the next 10 years.

Albion's team effort ends Forest dream

NOTTINGHAM Forest's remarkable run of 23 matches without defeat and dreams of that never-attained treble were abruptly shattered at The Hawthorns on Saturday. West Bromwich Albion swept them out of the sixth round of the FA Cup with an impressive 2-0 victory in a splendid game packed with positive, entertaining football.

The first goal came in the 16th minute, when the ball was flicked to Martin, who lobbed over the head of Shilton, who was caught in no man's land. The second, immediately after the interval, was reminiscent of goals by British centre forwards of the past. A long first-time clearance, combined with an awkward bounce, caught the defence square. Regis, who had caused many problems for Needham with his strength, balance and timing, raced through the gap to hit the perfect ground shot from outside the box into the far corner of the net.

Forest, never at their most fluent, tried desperately to reduce the arrears. They went close on several occasions but it

was just not their day. There can be no doubt that a totally committed Albion deserved to win.

The match provided an opportunity to compare these two outstanding Scottish left-wingers.

SOCCER

BY TREVOR BAILEY

Willie Johnston and John Robertson. The former finished ahead on points, but was fortunate to be against a makeshift right-back. In this form, he should be an integral part of Scotland's World Cup side. His possession, superb control, two good feet, arrogance and confidence.

His one weakness is a hair-trigger temper, which brought him a warranted booking, and could prove fatal in South America.

Because it was essentially a team effort, it is perhaps in-

vidious to single out individuals in the West Bromwich side who must now stand a fine chance of carrying off the Cup. But in this showing Statham must be a serious candidate for the left-back position in the England XI. Tony Brown's forward running constituted a perpetual threat. While and Alastair Robertson defended resolutely. Treweek is a much better wing-half than is generally realised outside the Midlands.

The Forest rearguard, without their regular full-backs, lacked some of their usual nous. The attacking flair of Anderson was also missed. After this setback, and clinically efficient Liverpool at Wembley, it is not surprising they will be without the services of Shilton, Needham and Gemmell, all Cup-tied.

Having seen the Mersey-side machine defeat WBA recently, my money must be on them. But Woodcock is a splendid player of half-chance and capable of scoring against any defence. Whatever the result, it promises to be a memorable League Cup Final.

Racecourse finish for Wrexham

THE HEROICS are over. Having previously beaten First Division clubs Bristol City and Newcastle at home after drawing away, Wrexham made a glorious sixth-round FA Cup exit when they lost 2-3 at the Racecourse Ground to Arsenal's renaissance side on Saturday. Now they must buckle down to the bread-and-butter job of clinching promotion—a task in which they were pipped at the post last season.

When that is accomplished, Wrexham will truly be the soccer capital of Wales—and not just because the Welsh FA has its headquarters there, away from the Ruch-saturated south. Arsenal's players were full of praise for their highly skilled rivals after an excellent game, fought in a fine spirit. There is a consensus that Wrexham have the talent to thrive in the Second Division. I believe that provided they are given a stronger fellow striker to assist in coining the many chances Wrexham create, they could make a strong challenge for promotion from Division II next season.

McNeil kept up his splendid record of scoring in each leg, and netted 12 goals in 10 Cup games. Off the field, too, Wrexham are thriving. The accommodation has been improved, a social club—part of the new grandstand—generates a good cash flow, and I understand that the fundraising competition is bringing

in about \$45,000 a year. The brightest player in a game crammed with attraction was Arsenal's young Dubliner, Liam Brady, who will surely soon gain full recognition as the most valuable player in British football. He has been reported as saying that when his contract has ended he would like to play on the Continent.

His departure following three of England players Keegan to West Germany and Tewart to the United States, would be a sad thing for British football. There can never be too many genuinely brave players for our game, and there are signs that, along with the advent of the Greenwood era, the climate for these players in British is definitely improving.

Brady, comparatively slight, leans over the ball studiously and earnestly, shielding it shrewdly. Blessed with peripheral vision and extra-sensory perception, he can both glide

away from a lunging tackle and spit a free, distant corner without seeming to look. All this is backed with an accuracy of kick in the Hayes class—maybe better.

Two failures by Roberts to clear Brady's career brought quickly across from Brady from 1-1 to 3-1. My idea of the second best player was Wrexham's No. 6 Thomas, a highly creative wide-field dynamo. Not far behind was tricky winger Stanton, who hopped in both his side's goals, and right-back Hill. Price and Sandford were also prominent for Arsenal.

Amid all the thrills and the glory, one had the feeling that Arsenal were playing with a little in hand, ready to engage super-drive had it been needed. Indeed, sharper Wrexham about on two or three occasions would have forced them to it.

JAMES FRENCH

Bid to ban Cup Final price rise

MR. DENIS HOWELL, Sports Minister, will be asked in Parliament to ban the Football Association from raising prices by 30 per cent for the Wembley Cup Final on May 6.

Mr. Walter Johnson, Labour MP for Derby South, has tabled

a question urging Mr. Howell to intervene to stop "this blatant profiteering".

Mr. Johnson said: "These are exorbitant increases, particularly because in mind that prices are up by almost 40 per cent for the 1975 Cup Final."

Wasps' sting fails to penetrate

THE WASPS organised everything impeccably for their John Player quarter-final against Gloucester on Saturday. A perfect day, a pitch in thevellum, and a well-prepared team. But they could not arrange the result, and Gloucester won 1-3.

It was a courageous performance by Wasps, epitomised by captain and right-wing, Richards. He chose to play against the breeze and the sun, presumably seeking the elements as allies later.

In the end his side finished the game at a higher pace and with more imagination. They ran from short penalties deep in their half, trying to tire the heavy Gloucester backs. But although Walbyoff and Graham made handsome breaks, such was the defence, and the aggressive Bell that the passing was too often inaccurate.

Their fly-half Bell also gave some eccentric passes, but nevertheless had a bright game. Wasps' back number early and Lewis came on No. 8 and with Cooper and Smith performed prodigies in defence. Wasps matched Gloucester in speed to the ball. But when Bonner left the field, Gloucester's strength exploded. The game was mainly to Fidler, at the line-out, who kept and caught like a

Harlem Globetrotter. Bonner and Sargent proved immovable objects in the scrum, where Reed replaced Mills after 30 minutes.

Gloucester wheeled the Wasps and took five strikes against the head to prove their forward power.

Wasps could not find the chinks, especially against the vanguard Woodley and Skinner. Gloucester had problems at half-back, and Howells at scrum-half had a mixed game. Fly-half Williams did not kick well, and with the wealth of possession ought to have been setting the half away as quickly as possible.

Apart from Moss, Gloucester's talented left-winger Vane also looked full of ideas. After Butler had kicked an early second half penalty—the first time Williams let the ball go with any speed from Fidler's line-out—Vane dummied through and Moss scored an excellent try in the corner.

That was the spark of the second half from Gloucester, whose ideas seemed to be blunted on Wasps' sharpness. Fortunately for Gloucester, Butler kicked well against the wind this time, retrieving some dangerous situations for his side. That was a very efficient forward unit.

who kept and caught like a

Stay-Bell first back to stable?

THREE course winners—Sea Count, Stay-Bell and Fiddler on the Hoof—met Tumblelens in a four-cornered contest at today's Ayr Sundrum Chase. This 21-mile event could well provide the most intriguing race on the calendar.

Although a case can be made out for each of the four, I shall be surprised if the prize does not go to either Stay-Bell or Fiddler on the Hoof. The first-named, a strong bay son of Orkney, found his best form this term when accounting for The Last Light over this course and distance on his most recent

either the Gold Cup or Champion Hurdle. While at least several intended Irish challengers, against a likely figure of four

RACING

BY DOMINIC WIGAN

for the chasing and hurdling crowds, it is perhaps not too surprising.

At present, by far the most popular medium for the Irish money in the Triumph Hurdle is the Paddy Prendergast jockey-trainer, Corrib Chieftain. A close look at the gelding's credentials will quickly tell anyone why this bay son of the Eclipse Stakes third, Appiani II, could well be a live threat to

Reported to be all the better for those two runs, Corrib Chieftain already is down to 12/1 for the Daily Express race, and judged by the number of inquiries from Ireland, he could well go in at considerably shorter odds.

Latest Triumph Hurdle odds: 2-1 Rodman, 10-1 Master Thomas and Bourdon Street, 12-1 Atlantic Bridge and Corrib Chieftain, 16-1 Fast Score and Ragabash, 20-1 bar.

England cricketers back

ENGLAND cricketers Derek Randall, Geoff Miller, Geoff Cope, Graham Roope, Chris Old and Brian Rose, and manager Ken Barrington arrived home from their tour of Pakistan and New Zealand yesterday. The other players, including the England side, will return separately.

Barrington said that the tour side fielded magnificently.

Raleigh wins Paris-Nice race

TI RALEIGH'S Gerrie Knottman confirmed his week-long lead in the 1200 kms. Paris to Nice French cycling classic by winning the final stage in Nier, with supporting rides in the final stage—a 9.5 km. mountain time-trial—by Ronnie Kulper and Henk Lubberding.

second, from France's Bernard Hinault. The TI Raleigh team snatched victory from Peliccioli with supporting rides in the final stage—a 9.5 km. mountain time-trial—by Ronnie Kulper and Henk Lubberding.

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 a.m. Open University.
9.30 For Schools, Colleges, 10.45 You and Me, 11.25 For Schools, Colleges, 12.45 p.m. News, 1.00 Pebble Mill, 1.45 Bod, 2.01 For Schools, Colleges, 3.15 Songs of Praise from Aberystwyth, Dyfed, 3.53 Regional News for England (except London), 3.55 Play School (except BBC2), 4.30 Deputy Dawg, 4.35 Jackanory, 4.40 Hunter's Gold, 4.45 John Craven's Newsround, 5.10 Blue Peter, 5.40 News, 5.55 Nationwide (London and South-East only), 6.30 National, 6.50 Ask the Family, 7.15 Blake's Seven.

8.10 Panorama, 9.00 News, 9.25 The Monday Film: "Sunday, Bloody Sunday," starring Patrick Swayze, Michael Jackson and Peter Finch, 11.10 Tonight, 11.50 Weather/Regional News.

All Regions as BBC1 except at the following times: Wales—1.43-2.00 p.m. Pili Pili, 5.55-6.30 Wales Today, 6.50-7.15 Heddin, 11.50 News and Weather for Wales.

Scotland—10.00-10.30 a.m. For Schools (Around Scotland), 5.55-6.20 a.m. Reporting Scotland, 11.10 Public Account, 11.45 News and Weather for Scotland, 11.55-12.05 a.m. News, 1.00-1.15 a.m. News, 1.15-1.30 a.m. News, 1.30-1.45 a.m. News, 1.45-2.00 a.m. News, 2.00-2.15 a.m. News, 2.15-2.30 a.m. News, 2.30-2.45 a.m. News, 2.45-3.00 a.m. News, 3.00-3.15 a.m. News, 3.15-3.30 a.m. News, 3.30-3.45 a.m. News, 3.45-4.00 a.m. News, 4.00-4.15 a.m. News, 4.15-4.30 a.m. News, 4.30-4.45 a.m. News, 4.45-5.00 a.m. News, 5.00-5.15 a.m. News, 5.15-5.30 a.m. News, 5.30-5.45 a.m. News, 5.45-6.00 a.m. News, 6.00-6.15 a.m. News, 6.15-6.30 a.m. News, 6.30-6.45 a.m. News, 6.45-7.00 a.m. News, 7.00-7.15 a.m. News, 7.15-7.30 a.m. News, 7.30-7.45 a.m. News, 7.45-8.00 a.m. News, 8.00-8.15 a.m. News, 8.15-8.30 a.m. News, 8.30-8.45 a.m. News, 8.45-9.00 a.m. News, 9.00-9.15 a.m. News, 9.15-9.30 a.m. News, 9.30-9.45 a.m. News, 9.45-10.00 a.m. News, 10.00-10.15 a.m. News, 10.15-10.30 a.m. News, 10.30-10.45 a.m. News, 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Rivals to the banks

THE CLEARING banks, in their recent joint complaint of unfair competition from the building society movement in the market for small deposits, will raise only limited sympathy on their own behalf. Their recent profit announcements do not portray a group being driven to the wall: their hours of business do not speak of any enormous concern for the convenience of the customer; and if they are now being driven to close some branches and reduce the activities of others, it is a rationalisation which seems overdue. They might well over the recent admission by Mr. Michael Edwards on behalf of Leyland: "We have probably had the business we deserve."

Rapid growth

However, the issue they have raised is of general public importance, and deserves close attention of a more general kind than it has yet had from the government, which is concerned only with smoothing the flow of funds to the housing market to prevent a price explosion. The growth of the movement in recent years has been quite extraordinary. The tax privileges of which the banks complain are only a part of the explanation. The fact is that over a period of the most stringent credit controls in living memory, the authorities have allowed and even encouraged the growth of what amounts to a virtually unregulated cartel, with near-monopoly access to what has proved one of the safest of all outlets for credit. The result, that the building societies now hold larger deposits than the clearing banks themselves, is scarcely surprising.

If it were true that the societies—like, for example, the life insurance companies—based their activities entirely on genuine long-term savings, invested on a broadly similar time scale, then it would be logical to leave them entirely out of account in any question of monetary policy; but this is becoming more and more of a caricature of the facts. Not enough is known about the turnover and destination of building society deposits, but certainly their numerous branches are

Unregulated

It is much easier to state the privileges of the building society movement than to measure their effects or to suggest remedies. Until more is known, the safest recommendation is the usual safe anti-climax—a call for further study. This should also extend to the monetary significance of other savings media—the Trustee Savings Banks, which now offer cheque-clearing facilities, for example. The tax privileges of the societies with regard to depositors are probably now an anomaly as the clearing banks suggest; and their practice of demanding deposits as a condition of future mortgage lending is also questionable. The biggest question, though, is how far so large a financial force can be left essentially unregulated. The sacred cow begins to look at times like a rogue elephant—an enormity to be avoided.

Drawing the line in the Horn

THE WAR between Ethiopia and Somalia in the Horn of Africa has caused considerable embarrassment for the Western powers. The world has been treated to the spectacle of massive Soviet and Cuban intervention to crush a Somali "liberation" campaign which has won a great deal of sympathy in Western public opinion—not least because of the oppressive nature of the present regime in Addis Ababa.

Yet the Somalis have been seemingly left to their fate, despite the moral duty that they clearly believed they had earned by their collaboration in last year's West German anti-blackening operation at Mogadishu Airport. The West has been made to look ineffectual against Russian expansionism in a key strategic area.

There has never been any question of the West in general, or the U.S. in particular, sending troops to Somalia to counter-balance the Soviet-Cuban forces on the Ethiopian side. There would be no broad basis of support for such action in public opinion, and it would almost certainly lead to a superpower confrontation that could so rapidly out of control. Nor are the rights and wrongs of the conflict all that clear-cut.

It is equally obvious, however, that the West cannot afford to remain totally inactive. At some point a line has to be drawn, and President Carter has tried to do so by insisting that the successful Ethiopian counter-offensive must stop short at the Somali frontier. Moscow's apparent acceptance of this would seem to indicate recognition that there are still rules to the game and thresholds that would be dangerous to cross.

Factors at work

It is not yet clear how far last week's Somali decision to withdraw regular forces from the disputed Ogaden was the product of American diplomatic pressure or military disaster. Both factors were probably at work. Yet the decision should help to get the West off the hook, at least for the time being. At least it opens the possibility of exploring the "negotiated solution" that Western Governments have said they are seeking.

But it is far from certain that

where the line must be drawn.

Desperate times for most base metal producers

By JOHN EDWARDS, Commodities Editor

THESE ARE desperate times for copper and most other base metal producers. On Friday the Zambian Finance Minister gave a warning that the country faced economic collapse unless a source of outside funds was found within the next few weeks. Because Zambia relies on copper exports for over 90 per cent of its foreign exchange earnings, it is not unreasonable to blame the prolonged depression in the world copper market for the country's financial problems.

In fact last week world copper prices rallied on the London Metal Exchange—partly reflecting the transport problems that threaten to cut back Zambian copper exports severely, and the possible repercussions of the brief "invasion" of Zambia by Rhodesian security forces. Also boosting the market was the recent agreement initiated by Zambia, between three of the world's leading copper exporting countries to reduce production by 15 per cent.

But the production agreement is a sign of desperation. The three countries which are parties to it—Peru, Zaire and Zambia—are dependent on copper for the bulk of their export earnings, and for an important source of employment.

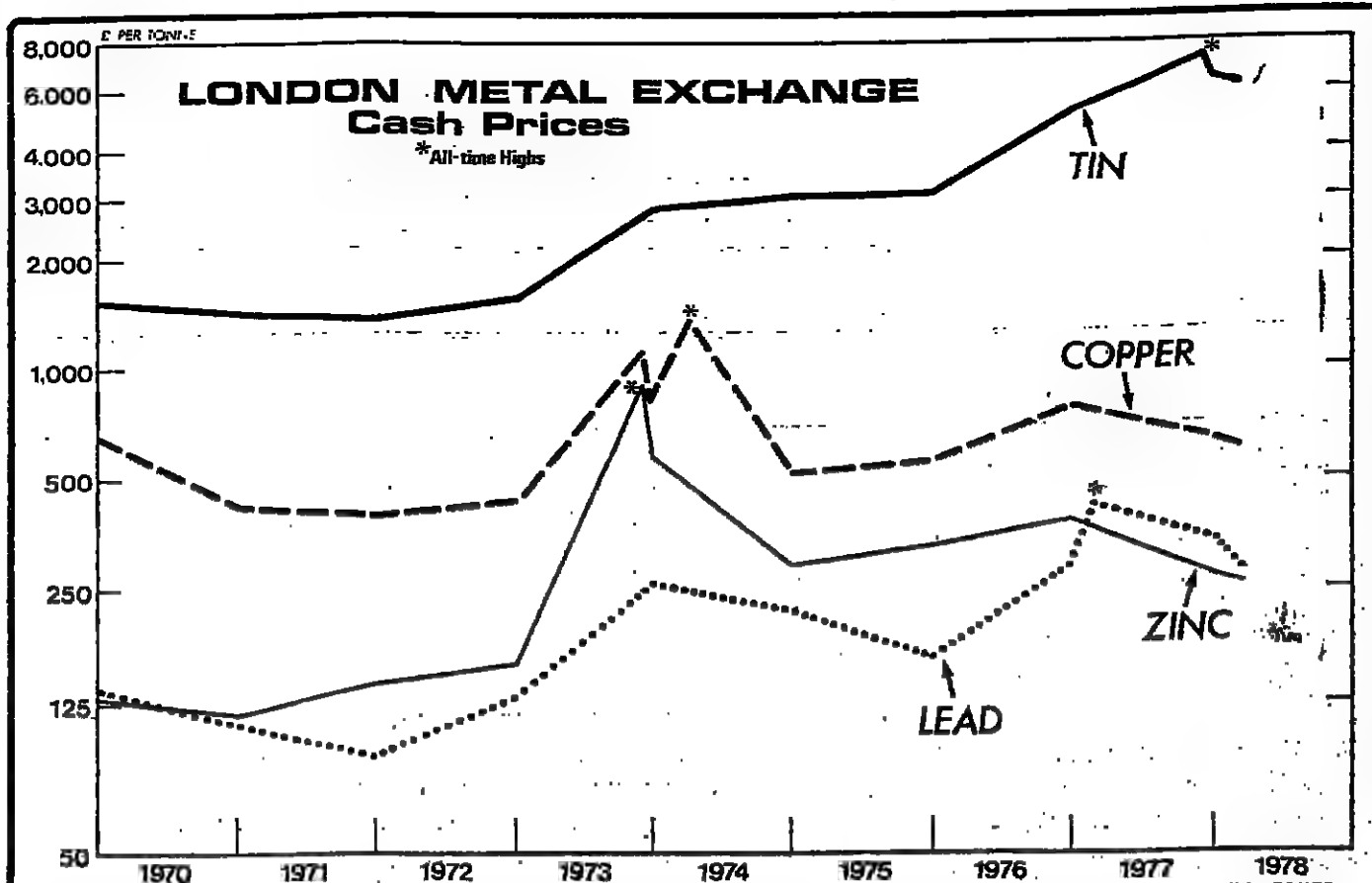
Any cut-back in their copper production, therefore, has serious domestic repercussions. However, the situation has become so serious for producers that there seems to be little alternative to a cut-back in view of the heavy losses being suffered at present price levels.

Hopes of a recovery in demand for copper and other base metals as world industrial activity picks up have been dashed so far this year. The U.S. coal strike threatens to make matters even worse. So instead of a gradual recovery from the depressed markets of the past four years, base metal producers face a further period of struggling for survival in the longest recession to hit the mining industry since the 1930s.

Indeed some forecasters are predicting that the worst is yet to come. They argue that in the coming crisis, prices will be driven down to levels where production will have to be reduced even more drastically to remove the huge surplus stocks now overhanging the market.

The situation in copper reflects what has been happening throughout the base metals industry, with one or two exceptions. Tin prices, for example, rose steeply last year as a result of a shortfall in supplies, although this year values have fallen sharply. Lead too was buoyant, but here too prices have collapsed recently.

Aluminium has also recovered from a bad period of low prices



and heavy surplus stocks, as a result of producers cutting back. Some specialised metals, such as molybdenum and wolfram, have moved up rather than down in price, boosted by firm demand for the special steels used in oil pipelines.

But for the rest of the metals, the picture is one of unremitting gloom. On the London Metal Exchange copper last month fell to the lowest level for two years at £812 a tonne—a far cry from the all-time peak of £1,400 reached in early 1974.

Copper production costs vary widely, according to the type of mine deposit as well as local infrastructure, taxes and wages. However, it is estimated that some 70 per cent of the world's copper mines cannot operate profitably at present price levels.

Many mines need higher prices just to meet operating costs, let alone service bank debts and new investment. This is particularly the case in Zambia, which as a high-cost producer needs a price closer to £750 to meet average operating costs. Robert Perlman, of the Commodities Research Unit, in a recent speech to the Society of Mining Analysts, pointed out that the Lusitania mine, for example, actually cost Zambia more in foreign exchange spent on imports of materials to keep output going than was earned from the export of the copper produced.

Cutbacks in production have been urged as the only way in the long run of bringing copper prices back to economic levels.

However, it is likely to be a long haul. The expansion in longer period before it has any beleaguering European zinc smelting industry. If anything, the situation is even worse in zinc than copper. Stocks are estimated to be well over 1m. tonnes and prices have fallen to the lowest level for over four years on the Metal Exchange. The European producer price has been cut from \$795 to \$550 a tonne and reports of discounting suggest that the real price being charged to most consumers is closer to \$500.

A further severe blow is the recent fall in lead prices. Many companies, producing the "sister" metals lead and zinc, have so far managed to offset their heavy losses in zinc by profits from the previously buoyant lead market.

But now the special circumstances which boosted the lead market in 1977 have ended. A very cold spell in the U.S. early that year brought a surge in demand for batteries, which will not need to be replaced this year. Demand from the Soviet Union, reportedly hit by Soviet production problems, has dried up.

Another disaster area is nickel—the former "wonder metal." International Nickel of Canada justified a reduction in its workforce of 3,500 employees, following big production cutbacks, by saying it was the only way of avoiding bankruptcy. As a result of demand falling to live up to expectations, Inco stocks at the end of 1977 reached \$40m.—estimated to

be some time in coming. Similar import restrictions are also being sought by U.S. zinc producers. And the EEC Commission is currently studying a report from one of its sub-committees urging that import curbs should be considered as a

equal some seven months' consumption—and this millstone around the company's neck will take a long time to shed in the highly competitive nickel market. Other nickel producers are equally hard pressed. They have tried to declare a truce in the price war, sparked off by the entry of new producers such as Amax, attempting to get a foothold at a time when demand has been hit by the recession in the steel industry.

Copper, nickel and zinc are the most spectacular examples of the troubles affecting the base metal industry. But a whole host of other lesser known metals, like bismuth, cadmium, selenium, are also badly hit and so is the scrap industry.

There are many theories why the depression has lasted for so long and been so severe. One argument is that in the case of copper, the trends towards Government ownership of mines has meant that they often do not react commercially to adjust production to market conditions. However, this does not explain why nickel and zinc, which are primarily produced by private companies, have been hit by a similar build-up in surpluses.

Another explanation is that there has been a fundamental shift in demand for metals, partly as a result of the energy crisis, that has resulted in a reduction in the previous annual growth rates. Producers, it is said, based their production plans on over-optimistic targets and have been too slow in adjusting output to reality. Forecasts of a shortage of raw materials developing in the years ahead, and moves for artificial stabilisation of the markets, have encouraged producers to maintain output at too high a level and also enable them to borrow the money required to finance stocks.

This year, however, the crunch is likely to come. The present situation cannot continue much longer without a sizeable cutback in production. Already there is virtually no new investment in the expansion of production capacity that will be required in the years ahead. Prices in most cases would need to be double the present levels to justify new mines and exploration on economic grounds. For the moment the world is living on the expansion in capacity triggered by the better times in the late 1960s and early 1970s. But once the results of this have come through, there will be a long gap that could bring severe shortages of the vital raw materials needed by industry. But this is little solace to these companies facing bankruptcy, and to countries suffering the hardships of reduced export earnings and lower employment.

MEN AND MATTERS

Cuban leads them a dance

News that the Federal Bureau of Investigation is holding a Cuban in Miami on a charge of trying to use a false passport has sent a quiver through a pop and tiny Gulf emirate called Ajman. It has also caught the attention of staff in a City office in Dominion Street, at the top end of Moorgate.

The Cuban in question is a banker, Guillermo Hernandez-Cartaya, whose international WFC Group is being investigated by the CIA and—among others—Congress select committee on narcotic abuse and control. The Ajman emirate is interested because its police would clearly like to lay hands on Hernandez-Cartaya. They were questioning him last July about \$35m. that had been misappropriated from the Ajman Arab Bank—for which WFC had a management contract—and had confiscated his passport.

Despite this handicap, Hernandez-Cartaya managed to leave Ajman before departing, he handed over a \$15m. letter of credit on a Panamanian bank he controls (and which is now in receivership).

The offices in Dominion Street are paying close attention to the tangled fortunes of Hernandez-Cartaya because they include the recently closed London headquarters of WFC and the City representation of the Ajman Arab Bank. WFC has a 22 per cent stake in the bank, although to put it mildly the two parties are now at arm's length. Dr. Horst Tiefenthaler, the Austrian banker who is chief representative for the AAB in London, was at some pains to assure me at the weekend that he resigned from a like position with WFC before the end of 1977.

I called Henry Coryat, the American manager of the Arab bank out in Ajman. He said that WFC had "clearly abused its management mandate" and

although there were many questions to be asked of Hernandez-Cartaya, there was "no chance that he would show up in the emirate."

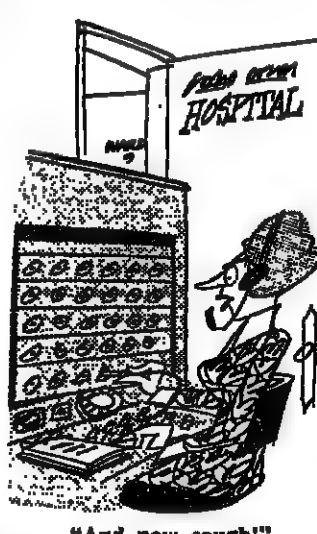
The AAB ceased operations after a run on deposits last May, not long before Hernandez-Cartaya made his sudden exit—allegedly on a false passport. Coryat says he still has his staff intact: it is trying to collect debts and the bank still retains a licence. He said that reopening depended on acquiring funds from Abu Dhabi—"and things were starting to click." But the London office might be shut soon as an economy measure.

Meanwhile, over in Miami, allegations against the WFC—concern drugs transactions, embezzlement and involvement with the Mafia. For the suave handsome Cuban exile himself, the latest spell in custody is no novelty: he was two years in a Castro jail after taking part in the Bay of Pigs invasion.

Talking Turkey

Sedate and well-ordered in normal times, Montreux suddenly found itself pitched into a flurry of activity this week-end when Greece and Turkey arrived in force with their Prime Ministers, diplomats, security guards, and journalists. "A meeting for the benefit of world peace," Bulent Ecevit said, though one minute later 100 photographers and the like had virtually declared war, scrambling on to the yellow baize of the conference table to snatch a shot.

The propaganda war continued throughout the conference. Round one went to Greece. Athens said it did not want much Press coverage, so Ankara made Turkish journalists pay for their trips. But then the Greeks brought the full Athens Press contingent free. Round two, too: the bill boards round the hotel were filled with "Visit Greece"



"And now cough!"

longer be able to identify the products of these pernicious regimes—and so might risk buying them.

Giant in Monaco

From the global view of the managing director's chair at the BNP, it is a long leap to the chairmanship of a new investment bank in tiny Monaco. Of course, it is a few years since Pierre-Paul Schweitzer held sway in Washington—and he still retains an advisory directorship with the Unilever giant in Rotterdam. But why is he interested in the little-known Compagnie Monegasque de Banque? "I think there's quite a lot of potential here," Schweitzer says. "What's more, some very decent hotels." He will not be living in Monaco, which is the lot of the managing director, Bernard Kelly. An erstwhile Warburg director, Kelly declares there is "a lot of natural business in Monaco."

Bottle battle

There was some clearing up to do at the Metal Box glass factory in Nigeria recently. Two busloads of bandits armed with axes and cutlasses attacked the building at dawn, their apparent goal being the safes in the accounts department. The workforce fought back from the production line—5,000 bottles being flung at the invaders before they retired empty-handed.

Safe bet

Did you hear about the bookmaker who was asked if his baby daughter could walk yet? "No," he said, "and as long as there's racing she'll never have to."

Observer

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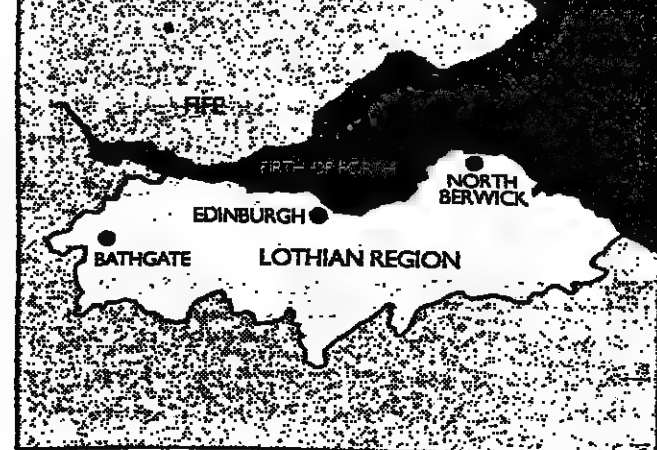
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FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF
INTERNATIONAL BOND DEALERS

At 28th FEBRUARY, 1978

In this edition of the AIBD Quotations & Yields additional information relating to the call features has been introduced.

Included now are the number of days notice to be given by the borrower and also the yield to next call, where it is not more than 100 basis points above the higher of the average life and maturity yields. There is also an indication as to whether the issue may be called at any time, on any coupon date or annually (in the case of issues with semi-annual coupons).

Yields on Unit of Account issues are now computed by adjusting the investment proceeds for the changes in relative parities of the currencies comprising the new and old unit of account formulae.

We now also show the date at which sinking funds commence on convertible issues. It is intended that we will also show the amounts at a later date.

The indicator mentioned under section 8 of the notes (relating to yield to next call for convertibles) has not yet been implemented.

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The table of quotations and yields gives the latest rates available on 28th February, 1978.

This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

● The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields

are compiled from quotations obtained from market-makers on the last working day of each month: there is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone

between dealers scattered across the world's major financial centres. Membership of the AIBD, which was established in 1969, comprises over 450 institutions from about 27 countries. A key to the tables is published opposite.

Eurobonds in February

BY MARY CAMPBELL, Euromarket Editor

February was a mixed month for the bond markets. By and large, the dollar secondary market continued to limp along despite the record low volume of new issues for any month in recent years and despite a trend of stable, and if anything falling, interest rates. Meanwhile, yields in the D-mark sector continued to fall sharply, as also did yields on Swiss franc foreign bonds.

At the same time, there were periods when the dollar secondary market seemed to be more stable than for some months. This did not mark a detraction of demand from "strong" currency bonds, but merely a lack of selling pressure in the dollar sector.

At the very end of the month the whole picture was thrown into confusion by the introduction by the Swiss National Bank of stringent measures to stem flows of funds into Swiss francs.

The first announcements— which affected only bank deposits (rather than the capital markets)—were announced after trading closed in Switzerland on Friday, February 24. However, after flows started to switch into Swiss franc denominated shares and bonds, the Swiss authorities announced on the following Monday that barriers would be put up there too.

This turned the last day of February into what has become known in Switzerland as "black Tuesday": prices of shares and bonds slumped. It is still too early to say whether the measures introduced will provoke effective evasive measures—for example the development of a full-blooded black market in Swiss franc denominated securities outside Switzerland. But, so far, the indications are that the Swiss measures are achieving their intended effect of cutting back inflows into the

Swiss franc, and even probably provoking outflows as deposits are reduced in order to avoid payment of the 40 per cent. per annum negative interest rate. From April 1 this will be levied on a much wider range of deposits than hitherto (notably on central bank deposits).

Until these measures were introduced, however, the two main factors in the market continued to be the weakness of the dollar on the foreign exchange markets combined with the lack of "star" denominated new issues. By 28th February the dollar fell from \$1.07 to \$1.07 to \$1.07, and from 112.10 to 112.10, its depreciation on a trade-weighted basis (according to Morgan Guaranty calculations) widened from 4.65 to 5.55 by comparison with December 1977 levels.

On the other hand, the volume of fixed rate new issues which came on offer during February in the dollar sector barely topped \$100m.—dealers were at a loss to remember when the figure was last as low as this. A substantial volume of floating rate notes was launched, but these were being

bought on the basis that they would provide a hedge against the expected rise in U.S. dollar interest rates later this year.

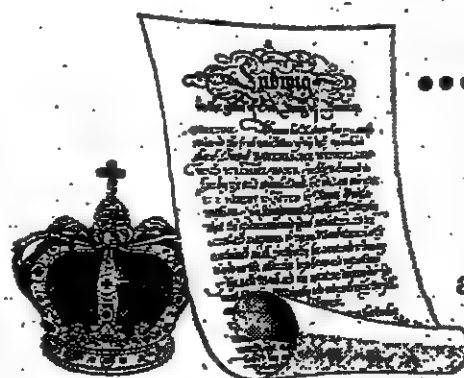
The fall in yields in the D-mark sector accelerated issue by issue—and indeed within the offering period of each issue. The most significant changes were those made in an issue for the European Investment Bank. When launched, this offered an indicated 54 per cent., a quarter point less than had been paid by the World Bank in an issue which was only three weeks old; the EIB closed at a yield a half point lower than the World Bank issue.

In the Swiss franc sector, the coupon level on prime quality foreign bonds came down from 4 per cent. to 3½ per cent. during February.

Sterling denominated bonds did not perform well in February and this second disappointing attempt at creating a market makes it more doubtful than ever that sterling has anything more than a marginal contribution to make in the foreseeable future.

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Austrian Quotes

Quotations and Yields of Austrian Eurobonds

TITLE	COUPON DATES	REPAYMENT	SINKING FUND (STARTING)	PRICE		CURRENT YIELD	CURRENT YIELD TO MATURITY
				BD	ASKED		
D-MARK BONDS							
61% Bremser Autobahn 1968 (G)	1.2-1.8	1.874-83	1.873	108 1/2	104	6.51%	5.98%
61% Donaukraftwerke 1959 (G)	1.3-1.8	1.245-84	—	107 1/2	103 1/2	5.81%	5.45%
61% Donaukraftwerke 1973 (G)	1.3	1.273-87	1.1277	108 1/2	106	6.39%	5.94%
7% Girozentrale Wien 1975	1.11	1.11-81	—	108	108 1/2	6.47%	4.53%
7 1/2% Girozentrale Wien 1976	1.11	1.11-88	—	108	108 1/2	6.71%	5.58%
8 1/2% LAKW 1975 (G)	1.5	1.350-85	—	111	111 1/2	7.87%	6.74%
8 1/2% Kelag 1978 (S)	1.3	1.31-88	1.378	108 1/2	106 1/2	6.83%	6.45%
8 1/2% Oester. Drankkraftwerke 1975 (G)	1.2	1.251-85	—	112 1/2	112	7.77%	6.47%
8 1/2% Oester. Elektrizitätswirt 1967 (G)	1.3-1.8	1.273-87	—	106	106 1/2	6.60%	6.20%
7% Rep. Oesterreich 1968	1.4-1.10	1.473-82	1.472	106 1/2	106 1/2	6.60%	5.44%
6 1/2% Rep. Oesterreich 1969	1.4-1.10	1.475-83	1.174	104 1/2	105 1/2	8.10%	—
7% Rep. Oesterreich 1975	1.5	1.175-87	1.174	109	111 1/2	8.10%	6.38%
7% Rep. Oesterreich 1975	1.5	1.179-87	1.277	109	109 1/2	7.78%	7.11%
7 1/2% Rep. Oesterreich 1976	2.5	2.583-86	1.283	110 1/2	111	7.00%	6.08%
6 1/2% Rep. Oesterreich 1977	1.4	1.483-85	2.183	108 1/2	107 1/2	6.31%	5.54%
6 1/2% Tuernkraftwerke 1968 (G)	1.2-1.8	1.674-83	1.973	105 1/2	105 1/2	6.16%	5.23%
7 1/2% Tuernkraftwerke 1968 (G)	1.2-1.8	1.674-83	—	105 1/2	105 1/2	6.64%	5.70%
7 1/2% Tuernautobahn 1974 (G)	1.7	1.7-81	—	113	113 1/2	8.39%	8.13%
8 1/2% Voest 1973	1.10	1.1079-88	1.678	108 1/2	108	7.22%	7.30%
8 1/2% Voest 1975	1.6	1.631-85	—	109 1/2	109 1/2	7.77%	6.84%
8 1/2% Voest 1977	1.6	1.634-89	—	105	105 1/2	6.43%	6.10%
8 1/2% Wien 1968	1.8-1.12	1.874-83	1.873	104 1/2	103	6.68%	5.30%
8 1/2% Wien 1975	1.8-1.12	1.874-84	—	109	109	7.69%	6.38%
U.S.\$ BONDS							
6 1/2% Rep. Austria 1984	31.1-31.7	31.171-84	2.170	98 1/2	98 1/2	6.08%	6.33%
6 1/2% Rep. Austria 1987	31.9-31.9	31.973-82	15.371	98 1/2	98 1/2	5.89%	7.06%
8 1/2% Rep. Austria 1976	15.3	15.379-80	15.377	98 1/2	98	8.98%	8.32%
6 1/2% Aust. Electricity 1968 (G)	1.3-1.7	1.770-86	1.769	99 1/2	97 1/2	6.85%	7.27%
6 1/2% Aust. Electricity 1967 (G)	1.4-1.10	1.707-82	1.700	99 1/2	99 1/2	6.79%	7.09%
8 1/2% Alpine Montan 1965 (G)	1.5	15.675-85	15.671	98 1/2	98 1/2	6.12%	6.51%
8 1/2% Alpine Montan 1967 (G)	1.5	15.675-87	15.672	98 1/2	97 1/2	8.72%	8.72%
8 1/2% Voest 1968 (G)	22.10	22.1070-78	69.0718	98 1/2	98	6.52%	7.74%
6 1/2% Transalpine Fin. Hldg. 1966	31.10	31.1070-83	69.0732	97 1/2	98	6.35%	6.88%
6 1/2% Transalpine Fin. Hldg. 1966	31.7	31.7071-85	12.769	97 1/2	98	6.91%	7.14%
6 1/2% Transalpine Fin. Hldg. 1967	31.11	31.7071-87	13.172	97 1/2	98 1/2	7.94%	7.19%
6 1/2% Transalpine Fin. Hldg. 1967	31.11	30.474-83	90.472	97 1/2	98 1/2	6.89%	7.30%
7 1/2% Trans-Austria Gasline 1973	15.1	15.177-88	15.176	98 1/2	98 1/2	8.38%	9.12%
AUSTRIAN SCHILLING BONDS							
9 1/2% Kontrollbank 1974 (G)	14.8	14.870	—	101	—	9.41%	8.75%
DOMESTIC ISSUES							
8% Bundesanleihe 1966	30.4	30.470-81	—	97.73	—	8.10%	8.49%
8% Investitionsanleihe 1967	2.5	2.569-83 (103)	R	100.73	—	7.94%	8.49%
8% Investitionsanleihe 1967/II	—	1.269-79 (103)	R	101.73	—	7.86%	8.61%
8% Investitionsanleihe 1971/II/B	15.11	15.1173-79 (101)	R	100	—	8.00%	8.83%
8% Investitionsanleihe 1972/B	15.3	15.375-80 (101)	R	99.78	—	8.00%	8.62%
8% Investitionsanleihe 1973/II/B	1.7	1.777-82	R	98.50	—	8.12%	8.41%
8% Investitionsanleihe 1972/III/B	1.10	1.1078-81	R	98.40	—	8.05%	8.18%
8% Investitionsanleihe 1973/B	15.2	15.277-81 (101)	R	100	—	8.00%	8.21%
8% Investitionsanleihe 1973/II/B	3.7	3.776-81 (102)	R	100	—	8.00%	8.22%
8% Investitionsanleihe 1978/III/B	30.11	20.1174-82 (102.50)	R	100.23	—	7.86%	8.37%
8% Investitionsanleihe 1974/B	1.4	1.476-82 (104.50)	R	102	—	7.54%	8.47%
8% Investitionsanleihe 1974/II/B	22.10	22.1075-82	R	99.73	—	8.50%	8.35%
8% Energieanleihe 1974/S (G)	15.11	15.1177-80 (100.50)	—	100	—	8.50%	8.84%
8% Energieanleihe 1975/B (G)	18.2	18.276-81 (101)	—	100.23	—	8.48%	8.70%
8% Kelag Anleihe 1974 (S)	30.11	30.1177-80 (100.50)	—	100.25	—	8.48%	8.33%
8% Vorarlberger Kraftwerke 1974 (S)	30.12	30.1277-80 (100.50)	—	100.23	—	8.48%	8.44%
8% Wiener Stadtanleihe 1965	1.2-1.8	1.270-89	—	99	—	8.08%	8.76%
8% Wiener Stadtanleihe 1968	1.6	1.670-81	—	98.50	—	8.12%	8.33%
8% Wiener Stadtanleihe 1987	15.6	15.676-83 (103)	—	100.50	—	7.96%	8.47%
8% Wiener Stadtanleihe 1975	15.5	15.574-83 (101.50)	—	97.25	—	8.25%	8.31%
8 1/2% Wiener Stadtanleihe 1978/B	29.4	29.476-82	—	101	—	8.42%	8.60%

(R) Purchase for redemption purposes by issuer possible. The bonds so purchased may be used for repayment according to plan. (---) Repayment at a premium. (G) Government guarantee. (S) Local Government Guarantee. Yield calculations are based on the middle price.

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17% Rishman, etc	1984	£100: £500

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Fund	Price	First Issue Price	Yield %	Div. Date
	Rentinvest	LuxFr 840	LuxFr 1000	8.42
Capital Rentinvest	LuxFr 1294	LuxFr 1000	(Capitalisation)	
	1977/78		1975/78	
	High	Low	High	Low
Rentinvest	LuxFr 917	LuxFr 839	LuxFr 917	LuxFr 780
Capital Rentinvest	LuxFr 1309	LuxFr 1168	LuxFr 1309	LuxFr 925

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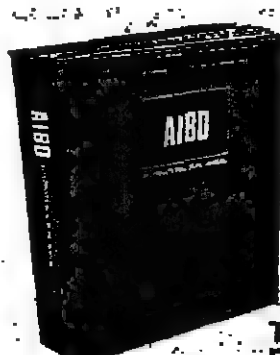
	Price (March 3rd)	Redemption Yield	Repayment
10% Government 1977/85	77½	16.58	1980-85
10% Government 1976/83	85½	16.49	1979-83
10% Government 1976/81	89½	16.35	1978-81
10% Government 1981	90½	15.52	1978-81
10% Government 1979	95	15.06	1979



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The following Tombstone announcements were published in the Financial Times during February

BONDS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
Jan. 1978	1/2/78	SEARS INTERNATIONAL FINANCE N.V.	2/2/78	3/2/78	16/2/78
KINGDOM OF NORWAY \$125,000,000		101% Sterling Foreign Currency Bonds 1988		THE LONG-TERM CREDIT BANK OF JAPAN FINANCE N.V.	
8 1/4% Notes due 1983		101% Sterling Foreign Currency Bonds 1988		US\$60,000,000	
1/2/78	1/2/78	10/2/78	10/2/78	Guaranteed floating rate Notes due 1983	
EUROPEAN INVESTMENT BANK		TEOLLISUUDEN VOIMA OY INDUSTRIES KRAFT AB		First Boston (Europe) Ltd. and others	
US\$100,000,000 8 1/4% Bonds 1983		DM80,000,000		Jan. 1978	20/2/78
US\$100,000,000 8 1/4% Bonds 1983		6% Bonds due 1988		EUROPEAN COAL AND STEEL AND COMMUNITY	
Union Bank of Switzerland (Securities) Limited and others		Westdeutsche Landesbank Girozentrale and others		US\$30,000,000	
1/2/78	1/2/78	10/2/78	10/2/78	5 1/4% Notes due 1985	
SHELL INTERNATIONAL FINANCE N.V.		10/2/78	10/2/78	Kuwait Investment Co. S.A.K. and others	
US\$500,000,000		CITICORP OVERSEAS FINANCE CORPORATION N.V.		EUROPEAN INVESTMENT BANK	
8 1/4% Guaranteed Notes 1990		AS\$10,000,000		9 1/2% Sterling/US\$ Bonds due 1988	
Union Bank of Switzerland (Securities) Limited and others		10 1/4% Guaranteed Notes due 1983		S. G. Warburg & Co. Ltd. and others	
1/2/78	1/2/78	22/1/78	10/2/78	20/2/78	21/2/78
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT		KINGDOM OF DENMARK		BANQUE NATIONALE D'ALGERIE	
DM500,000,000		Y20,000,000,000		DM100,000,000	
8 1/4% DM Bonds due 1990		6 7/8% Yen Bonds Series 2 due 1990		7 1/4% Bearer Bonds 1978/83	
Deutsche Bank AG and others		Nikko Securities Co. Ltd. and others		Dresdner Bank AG and others	
2/2/78	2/2/78	31/1/78	13/2/78	22/2/78	22/2/78
ROWNTREE MACKINTOSH INTERNATIONAL FINANCE B.V.		DAIICHI CHUO (CAYMAN) LTD.		AKSJESELSKAPET NORCEM	
£18,000,000		US\$30,000,000		DM30,000,000	
10 1/4% £ Foreign currency Bonds 1988		8 1/4% Guaranteed Notes due 1985		5 1/4% DM Bonds 1978/1985	
J. Henry Schroder Wagg & Co. Ltd. and others		Sumitomo Finance International Daiichi Chuo Kisen Kaisha and others		Deutsche Bank AG and others	
8/1/78	3/2/78	7/2/78	13/2/78	23/2/78	23/2/78
NACIONAL FINANCIERA S.A.		EUROFIMA		NEW ZEALAND	
US\$100,000,000		£40,000,000		DM250,000,000	
Floating rate Notes due 1988-1993		8 1/4% Bonds due 1988		8 1/4% Bearer Bonds 1978/1986	
Credit Commercial de France and others		Smith Barney, Harris Upham & Co. and others		Commerzbank AG/Credit Lyonnais and others	
2/2/78	2/2/78	25/1/78	13/2/78	23/2/78	21/2/78
OCCIDENTAL INTERNATIONAL FINANCE N.V.		KOMMUNLANE INSTITUTET AKTIEBOLAG		INA INTERNATIONAL HOLDINGS LIMITED	
US\$500,000,000		12,000,000 European Units of Account		£20,000,000	
8 1/4% Guaranteed Notes due 1983		7 1/2% 1978-1983 Bonds		10 1/2% Sterling Foreign Currency Notes due 1988	
Dean Witter Reynolds International Inc. and others		Skandinaviska Enskilda Banken Kreditbank S.A.		Bieth Eastman Dillon & Co. and others	
Jan. 78	8/2/78	15/2/78	15/2/78	21/2/78	21/2/78
REPUBLIC OF PANAMA		REPUBLIC ARGENTINE		B.A.T. INTERNATIONAL FINANCE LIMITED	
DM5,000,000		DM150,000,000		£50,000,000	
9% Notes due 1983-1988		6 1/4% DM Bearer Bonds 1978/1986		Floating rate Guaranteed Notes due 1988 Private Placement	
Kuwait Foreign Trading Contracting & Investment Co. S.A.K. U.B.A.F. and others		Deutsche Bank AG and others		Morgan Stanley International Summito Finance International	
Dec. 1977	8/2/78	15/2/78	15/2/78	23/2/78	21/2/78
BANK EUROPEAN INVESTMENT		EUROFIMA		GENERAL MOTORS ACCEPTANCE CORPORATION	
US\$500,000,000		DM100,000,000		£150,000,000 8 1/2% Notes due 1988	
8 1/4% Notes due 1985		8 1/4% DM Bearer Bonds 1978/1986		£150,000,000 5.65% Debs. due 2003	
Banque Arabe et Internationale d'Investissement and others		Deutsche Bank AG and others		Morgan Stanley & Co. Inc. and others	

LOANS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
8/8/77	1/2/78	Jan. 1978	7/2/78	Feb. 1978	21/2/78
ABDUL JALIL AL FAHIM AND SONS		COMPANIA TELEFONICA NACIONAL DE ESPANA		FUERZAS ELECTRICAS DEL N. ROESTE S.A.	
US\$17,000,000		US\$80,000,000		US\$30,000,000 Term loan	
Secured Floating Rate Loan		Medium term loan		Chase Manhattan Ltd.	
Abu Dhabi Investment Co. and others		Compagnie Financiere de la Deutsche Bank AG and others		European American Bank & Trust Company and others	
Jan. 1978	2/2/78	Dec. 1977	7/2/78	Feb. 1978	21/2/78
EVERIGES SLAKTERIFORBUND FORENING UPA		CENTRAIS ELECTRICAS BRASILEIRAS S.A.—ELETRORRAS		KENT COUNTY COUNCIL	
US\$10,000,000		£54,000,000		£16,000,000	
Medium Term Loan		Term financing		Medium term loan	
Scandinavisk Bank Ltd. and others		Bank America International Group Dresdner Bank AG and others		Uetikon-Wetzikon Bank Limited and others	
Nov. 1977	2/2/78	Nov. 1977	9/2/78	10/2/78	22/2/78
K/S FEARNLEY OFFSHORE A/S		CIMENTOS DE PORTUGAL E.P.		NATIONAL BANK OF HUNGARY	
US\$10,000,000		US\$12,000,000		US\$100,000,000	
US\$21,000,000		Medium term loan		Medium term loan	
Loan facilities		Amex Bank Ltd. and others		Abu Dhabi Investment Co. and others	
Deu norake Creditbank Manufacturers Hanover Trust Co. and others		Dec. 1977	13/2/78	Feb. 1978	22/2/78
18/12/77	2/2/78	REDEC PLAZA AND COMMERCIAL CENTER RIVADIA		HERON CORPORATION LTD.	
TELECOMUNICACOES DO RIO DE JANEIRO S.A.		US\$14,000,000		£17,000,000	
US\$30,000,000		Medium term loan		8 year loan facility	
Chase Manhattan Bank Ltd. and others		Al Saudi Banque and others		Barclays Merchant Bank Limited and others	
20/1/78	2/2/78	Dec. 1977	13/2/78	Dec. 1977	22/2/78
KOMBINAT GORNICZO-HUTNICTWY MIEDZY LUBINIE		COMMONWEALTH OF THE BAHAMAS		LEEDS CITY COUNCIL	
US\$250,000,000		US\$10,000,000		£7,500,000	
Multi-currency credit facility		Medium term loan		Medium term loan	
Chase Manhattan Bank Ltd. and others		Cisalpine Overseas Bank Ltd. and others		Ellis Samuel & Co. Ltd. and others	
Dec. 1977	6/2/78	Feb. 1978	13/2/78	18/1/78	23/2/78
PHILIPPINE LONG DISTANCE TELEPHONE COMPANY		INSTITUTO NACIONAL DE INDUSTRIA—I.N.I.		THE FEDERAL REPUBLIC OF NIGERIA	
US\$105,000,000		US\$75,000,000		£1,000,000,000	
Term loan facility		7 year Multicurrency credit facility		Financial Adviser First Boston (Europe) Ltd.	
European Asian Bank Banque Europeenne de Credit and others		Feb. 1978	13/2/78	Dec. 1977	22/2/78
Oct. 1977	6/2/78	MATTHEY FINANCE LIMITED		THE GOVERNMENT HOUSING BANK OF THAILAND	
SAUDI ARABIAN AMIANIT CO. LIMITED		US\$55,000,000		THAILAND	
Saudi Riyal 50,000,000		Medium term loan		THAILAND	
5 year floating rate loan		S. G. Warburg & Co. Ltd. Morgan Guaranty Trust Co. of New York and others		THAILAND	
Union de Banques Arabes et Francaises and others		Feb. 1978	20/2/78	Dec. 1977	23/2/78
Finlands PANKKI FINLANDS BANK		ROMANIAN BANK FOR FOREIGN TRADE		THE CITY OF BELGRADE	
US\$200,000,000		US\$53,000,000		US\$18,400,000	
Medium term credit facility		First Chicago Limited and others		Medium term loan due 1984	
Orion Bank Ltd. and others		Feb. 1978	21/2/78	Nov. 1977	14/2/78
ISTITUTO BANCARIO SAN PAOLO DI TORINO		MASS TRANSIT RAILWAY CORPORATION HONG KONG		THE SUMITOMO BANK LIMITED	
US\$10,000,000		US\$45,000,000		US\$15,000,000	
Medium term transaction		10 year loan facility		US\$15,000,000	
Gulf International Bank Abu Dhabi Investment Company		Jan. 1978	9/2/78	1/2/78	15/2/78
1/2/78	7/2/78	SCOTCROS LIMITED		AGA AB	
AGA AB		has acquired 80% capital of The Remy Group of Companies in France. Financial advisers Compagnie Europeenne Pour Le Developpement Industriel et Financier S.A.		Has acquired 98% of stock of Burdon, Inc.	
1/2/78	7/2/78	1/2/78	21/2/78	Spillers Limited were assisted with their subsidiary's merger into MODERN MAID FOOD PRODUCTS, INC.	
BURDOX, INC. Financially advised by Lehman Brothers Kuhn Loeb, and Joseph, Miller & Russell, Inc.		1/2/78	21/2/78	Spillers assisted by Lehman Brothers Kuhn Loeb.	
		10/2/78	14/2/78	INDUSTRIAS FENOLAS S.A. de C.V.	
		US\$5,000,000		Sinking Fund Debentures due 1983	
		1/2/78	15/2/78	AGA AB	
		1/2/78	15/2/78	Has acquired 98% of stock of Burdon, Inc.	
		1/2/78	21/2/78	Spillers Limited were assisted with their subsidiary's merger into MODERN MAID FOOD PRODUCTS, INC.	
		1/2/78	21/2/78	Spillers assisted by Lehman Brothers Kuhn Loeb.	
		1/2/78	21/2/78	Spillers assisted by Lehman Brothers Kuhn Loeb.	

OTHERS

Tombstone date	Publication date	Tombstone date	Publication date	Tombstone date	Publication date
GEERS GROSS LIMITED	1/2/78	7/2/78	7/2/78	Nov. 1977	14/2/78
has acquired RICHARD K. MANOFF, INC.		Placing of 629 Depositary Shares Credit Suisse White Weld Ltd.		THE SUMITOMO BANK LIMITED	
£700,000 5 year loan		Jan. 1978	8/2/78	US\$15,000,000	
£2,800,000 10 year Dual Currency Washable Loan		THE REPUBLIC OF VENEZUELA		US\$15,000,000	
Geers Gross financially advised by James Finlay Corp. Limited		US\$178,000,000		US\$15,000,000	
2/2/78	3/2/78	Private placement Promissory Notes 1980-1985		US\$15,000,000	
NESTLE S.A.		Bank of Credit and Commerce International S.A. and others		US\$15,000,000	
has acquired more than 97% of Alcon Laboratories, Inc.		Jan. 1978	9/2/78	US\$15,000,000	
Financial advisor to Nestle Lehman Brothers Kuhn Loeb		Manufacturers Hanover Leasing Corporation		US\$15,000,000	
2/2/78	6/2/78	Westfield Shipping Co. Ltd.		US\$15,000,000	
INTERPACE CORPORATION		£25,000,000 Financing		US\$15,000,000	
has acquired Allied Thermal Corporation		Arranged by W.R.B. Colgrave Ltd.		US\$15,000,000	
Financially advised by Wm. Sward & Co. Incorporated.		SPAREKASSEN SYDJYLLAND		US\$15,000,000	
31/1/78	6/2/78	DM50,000,000		US\$15,000,000	
ICI NORTH AMERICA INC.		8 1/4% Guaranteed Sinking Fund Debentures due 2003		US\$15,000,000	
£175,000,000		Smith Barney, Harris Upham & Co. Goldman Sachs and others		US\$15,000,000	
1/2/78	7/2/78	1/2/78	7/2/78	US\$15,000,000	
AGA AB		has acquired 98% of shares and stock of BURDOX, INC. Financially advised by Lehman Brothers Kuhn Loeb, and Joseph, Miller & Russell, Inc.		US\$15,000,000	

BANKERS TRUST INTERNATIONAL LIMITED

Market Makers in Floating Rate Note Issues

The interest rates per annum applicable to the following US\$ Floating Rate Note Issues were announced during February. These rates are quoted for information purposes only, and should be confirmed prior to the execution of a specific transaction. The rates quoted apply to the six-month periods shown.

	From	To	Rate
G.I.C.	1981	1 Feb. 78	5 1/4%
Jugobanka	1983	1 Aug. 78	8 1/4%
S.N.F.C.	1985/87	2 Feb. 78	8 1/4%
Credit Lyonnais	1982	5 Feb. 78	8 1/4%
Espelet	1983	9 Feb. 78	8 1/4%
Credit Lyonnais	1983	10 Feb. 78	7 1/4%
6% min.	1983	15 Feb. 78	7 1/4%
Banco do Brasil	1982	15 Feb. 78	7 1/4%
L.T.C.B.	1983	15 Feb. 78	8 1/4%
I.B.J. 6% min.	1982	15 Feb. 78	8 1/4%
ESCOM	1983	15 Feb. 78	8 1/4%
Midland	1981	20 Feb. 78	8 1/4%
B.U.E.	1982/84	21 Feb. 78	8 1/4%
B.N.P.	1984	21 Feb. 78	8 1/4%
B.F.C.E.	1984	23 Feb. 78	8 1/4%
W. & G.	1984	24 Feb. 78	8 1/4%

Interest rates applicable to the issues listed below will be announced during March.

	Rate
BNP 7% min.	1983
Hapoalim	1982
Banque Paribas	1983
Leumi	1981
Leumi	1984
Nippon Credit Bank	1983
Sumitomo Heavy Ind. Ltd.	1983
BNP	1981
U.B.A.F. 6 1/2% min.	1982
Allied Irish	1984
General Cable	1980

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Dealers Telephone: 583 6301-3 Telex: 883042

WestLB Euro-Deutschmarkbond Quotations

Issue	Price	Yield	Life	Yield to Maturity	Days to maturity
Siemens Europe 64/81	104.25	6.71	2.14	4.84	1,170-815
Singapore 72/82	103.25	6.78	2.28	5.53	1,778-825
Singapore 77/83	103.00	6.78	5.17	5.81	1,583
Singapore Airt. 76/83 (G)	105.80	6.27	2.85	6.45	1,279-830
Sura Kiva	104.75	8.11	2.57	7.09	1,676-850
S.N.F.C. 68/83 (G)	104.75	6.21	3.02	4.76	1,102-835
Soc. Dev. Reg. 75/86 (G)	107.00	7.01	5.31	5.93	1,480-860
Soc. Dev. Reg. 77/82P (G)	99.75	6.27	14.79	6.27	16,123-820
Soc. Mar. Fin. 75/83P	107.50	8.37	3.34	6.43	1,579-830
South-Africa 69/84	98.05	6.88	6.08	7.88	1,473-845
South-Africa 70/85	103.50	8.21	3.97	7.80	1,117-855
South-Africa 71/86	100.25	7.73	4.81	7.83	1,117-865
South-Africa 72/87	96.15	7.28	9.67	7.57	1,117-875
South-Africa 73/88	97.75	7.47	10.25	7.82	1,679-885
South-Africa Railway 73/88 (G)	101.50	9.11	1.22	7.84	1,679-885
South-Africa Railway 75/80P (G)	108.10	8.56	2.33	5.43	1,780
South-Africa Railway 77/80P (G)	101.00	8.17	2.42	7.75	1,879-800
South Scot. El. 73/88 (G)	104.75	6.48	5.18	5.91	1,279-885
Spain 77/84	102.25	6.40	6.42	6.30	1,884
Stand. Chart. Bank 78/88	102.75	6.33	9.83	6.12	1,188
Staatslorenz 77/85	106.00	6.40	5.47	5.69	1,382-850
Steinmark 74/80P	109.50	9.13	1.58	5.90	1,080
Stockholm City 75/83	107.80	8.12	3.87	6.44	1,479-830
Stockholm County 73/87	101.85	7.12	1.42	5.85	1,879
Studeb. Worth 69/79	102.65	7.90	4.33	6.41	7,782
Sumitomo Metal 75/87	106.25	7.06	5.67	6.15	1,879-885
Sua Oil Int. Fin. 73/88	103.00	7.04	5.16	6.54	1,279-885
Svenska Cell 73/88	112.00	8.04	4.42	5.84	1,380-885
Svenska Taadnst. 75/85	104.65	6.45	4.82	5.62	1,378-855
Sveriges Inv. Bk. 72/87	105.00	6.67	5.27	5.87	1,379-885
Sveriges Inv. Bk. 73/88	104.40	8.14	3.71	7.09	1,480-885
Sveriges Inv. Bk. 75/83	106.00	6.13	6.17	5.32	1,584
Sweden 77/84	102.50	5.87	11.75	5.73	1,123-895
Taipei Corp. 75/80P	106.50	8.92	2.04	6.02	16,380
Tauernautobahn 74/79P (G)	107.00	9.35	1.58	5.24	1,079
Tauernautobahn 75/82 (G)	113.25	8.39	3.33	5.06	1,781
Tauernautobahn 75/82P (G)	110.00	8.18	4.00	6.11	1,382
Tauernautobahn 75/83P (G)	110.00	8.18	5.00	5.99	1,383
Tauernkraftwerke 68/83 (G)	105.50	6.64	2.87	4.98	1,274-830
Tauernkraftwerke 68/83 (G)	105.50	6.64	2.87	4.98	1,274-830
Telefon. Int. 75/88	107.00	7.09	0.08	—	child p. 1,478
Tenipfinc 75/83P	107.85	7.42	9.77	6.86	1,112-835
Tenipfinc 75/82P	108.50	8.76	4.00	6.99	1,382
Thyssen Car. Fin. 75/82P	109.00	7.00	4.08	5.95	1,482
Thyssen Car. Fin. 75/82P	108.75	7.59	4.33	5.89	1,782
Thyssen Inv. 66/81	104.35	6.23	1.99	4.17	1,372-810
Tokyo El. Power 69/84	106.50	6.44	6.44	6.88	1,112-840
Torah 75/80P	106.50	8.92	1.94	5.85	10,800
Tras. House 72/87	100.10	6.49	4.83	6.46	1,078-875
Grundheim 68/83	103.50	6.52	3.17	5.60	1,122-835
Trondheim 70/85	102.00	8.33	0.25	—	child p. 1,6785
TRW Int. Fin. 69/84	102.35	7.33	3.45	6.84	1,1075-845
TVO Power 78/88 (G)	100.00	7.80	2.25	6.00	1,294-885
Unilever 75/81P	112.00	7.59	6.16	6.14	1,1281
Unilever 75/87	107.25	6.67	4.16	6.39	1,482
Unit. Arab. Emir. 77/82P	107.25	6.67	4.16	6.39	1,482
Venezuela 68/83	106.25	6.59	3.01	4.80	1,1074-835
Vienna 68/83	104.50	7.00	2.68	5.24	1,674-835
Vienna 75/84	108.65	7.59	3.84	5.66	1,879-840
Vienna 77/84P	101.80	5.65	6.97	5.42	15,284
Voest-Alpine 73/88	105.00	7.19	2.27	6.20	1,102-885
Voest-Alpine 75/85	105.35	7.77	5.19	6.32	1,681-850
Voest-Alpine 77/89	109.10	6.42	8.67	5.97	1,684-895
Wells-Fargo ex. w. 73/88	104.00	6.25	5.94	5.68	1,1179-885
Worldbank 65/85	103.00	5.34	3.87	4.70	1,471-850
Worldbank 68/80	104.95	6.19	2.42	4.29	1,880
Worldbank 69/84	103.00	6.31	3.26	5.46	1,675-840
Worldbank 68/84P	104.00	6.31	2.68	5.46	1,780-840
Worldbank 69/84P	103.00	6.31	2.68	5.46	1,780-840
Worldbank 69/84P	101.25	5.93	2.98	5.53	1,477-840
Worldbank 70/80	109.10	7.79	2.42	4.53	1,880
Worldbank 70/86	108.50	7.37	4.19	5.66	1,177-860
Worldbank 71/86 I	106.60	7.04	4.07	5.43	1,677-860
Worldbank 71/86 II	106.50	7.02	4.56	5.73	1,1277-860
Worldbank 72/82	106.35	6.46	4.28	5.56	1,678-825
Worldbank 73/82	104.50	6.46	4.28	5.51	1,780-820
Worldbank 73/83	107.85	6.26	4.91	4.91	1,283
Worldbank 73/88	103.65	6.15	5.44	5.57	1,579-880
Worldbank 75/82P	109.50	7.53	4.25	5.66	1,682
Worldbank 75/82	111.50	7.17	4.75	5.20	1,1782
Worldbank 75/83	113.50	7.27	5.31	5.27	1,783
Worldbank 76/82P	109.50	7.31	4.42	5.50	1,882
Worldbank 76/82P	108.00	7.09	4.17	5.28	1,1082
Worldbank 76/83	109.75	6.83	5.17	5.29	1,583
Worldbank 76/83	110.70	7.00	5.58	5.46	1,1083
Worldbank 76/83P	104.00	6.49	5.75	5.90	1,1283
Worldbank 76/84	112.85	7.09	5.92	5.40	1,284
Worldbank 77/82P	103.00	5.34	4.54	4.74	15,982
Worldbank 77/85P	107.25	6.30	7.00	5.71	1,385
Worldbank 77/85P	103.50	6.28	7.17	5.88	1,585
Worldbank 77/85	105.15	5.71	7.54	5.15	15,985
Worldbank 77/87	109.60	6.46	8.83	5.76	1,187
Worldbank 77/87	103.00	6.16	9.17	5.78	1,389
Worldbank 78/87	100.40	5.73	10.38	5.70	1,583-800
Yokohama 68/83 (G)	103.00	6.43	2.93	4.94	1,973-835
Yokohama 69/84 (G)	106.75	6.56	3.48	4.93	30,573-845
Yokohama 71/86 (G)	107.80	7.42	4.42	5.93	1,377-865
Yosida Kogyo 75/80P	106.50	8.22	2.33	5.67	1,780
Yugosl. Inv. Bank 77/85P	102.65	7.79	4.17	7.24	15,1281-850

WestLB Euro-Deutschmarkbond Quotations and Yields

Issue						Issue						Issue					
Middle Price	Current Yield	Life	Yield to Maturity	Repayment	D - mandatory drawing by lot at par S - sinking fund	Middle Price	Current Yield	Life	Yield to Maturity	Repayment	D - mandatory drawing by lot at par S - sinking fund	Middle Price	Current Yield	Life	Yield to Maturity	Repayment	D - mandatory drawing by lot at par S - sinking fund
8% ADELA 76/83	107.30	7.46	5.08	6.27	1.483	7% Electrolux 77/87 (G)	101.25	6.91	7.43	6.77	1.983(83-87)	8% KLM Finance 70/85	105.50	8.06	3.91	6.99	1.1076-85D
7 1/2% ADELA 77/82P	103.25	7.02	4.29	6.35	16.682	5 1/2% Elf Norge 77/80P	102.50	5.61	2.12	4.48	16.480	7% Kobe 68/83 (G)	104.50	6.70	2.68	5.24	1.672-83S
7% ADELA 77/82P	102.00	6.86	4.42	6.35	1.882	5 1/2% ENEL 65/80 (G)	100.25	5.99	1.31	5.88	1.7.68-80D	6 1/2% Kobe 69/84 (G)	105.50	6.40	3.59	5.12	1.672-83S
6 1/2% AEG 66/81	104.85	5.72	1.91	3.84	1.272-81D	8% Enso-Gutzeit 70/85	105.75	8.04	3.88	7.25	1.1076-85D	7 1/2% Kobe 71/86 (G)	109.00	7.11	4.47	5.43	1.277-85S
6 1/2% Airport Paris 69/84P (G)	102.00	6.37	3.42	5.94	1.272-84D	6 1/2% Ericsson 72/87	104.75	6.44	5.02	5.64	1.378-87S	6 1/2% Kobe 72/87 (G)	104.65	6.45	4.98	5.65	1.578-87S
6 1/2% AKZO 75/82P	106.75	8.43	3.92	6.96	1.282	8 1/2% ESAB 76/81P	106.50	8.22	2.92	6.24	1.281	8% Kobe 75/80P (G)	103.50	7.97	2.25	4.50	1.680-87S
6 1/2% AKZO 76/83P	105.00	7.38	5.25	6.58	1.683	8 1/2% ESCOM 65/80 (G)	100.45	6.47	1.56	6.16	1.1071-80D	8 1/2% Kobe 76/83 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% Aluisse Int'l 75/83	110.75	7.45	4.40	5.42	1.881-83D	8 1/2% ESCOM 69/83 (G)	98.45	6.80	2.98	7.07	1.1074-83D	7 1/2% Kobe 77/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% AMEX Int'l 75/83	104.50	6.46	6.08	5.85	1.484	8 1/2% ESCOM 70/85 (G)	105.00	8.10	3.95	7.00	1.476-85D	7 1/2% Kobe 78/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% A.P.E.L. 74/81 (G)	109.00	9.17	2.22	5.55	1.1277-81D	8 1/2% ESCOM 71/86 (G)	100.95	7.92	4.20	7.89	1.377-86D	7 1/2% Kobe 79/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 72/87 (G)	95.00	6.58	4.20	7.54	1.978-87D	7 1/2% Kobe 80/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 73/88 (G)	94.40	7.42	5.34	8.33	1.579-88D	7 1/2% Kobe 81/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 74/89 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 82/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 75/90 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 83/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 76/91 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 84/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 77/92 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 85/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 78/93 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 86/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 79/94 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 87/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 80/95 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 88/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 81/96 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 89/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 82/97 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 90/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 83/98 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 91/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 84/99 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 92/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 85/00 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 93/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 86/01 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 94/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 87/02 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 95/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 88/03 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 96/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 89/04 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 97/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 90/05 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 98/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 91/06 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 99/87 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 92/07 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 00/88 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 93/08 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 01/89 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 94/09 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 02/90 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 95/10 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 03/91 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 96/11 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 04/92 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 97/12 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 05/93 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 98/13 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 06/94 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 99/14 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 07/95 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 00/15 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 08/96 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 01/16 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 09/97 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 02/17 (G)	106.00	8.73	2.42	6.44	1.880	7 1/2% Kobe 10/98 (G)	109.00	6.88	5.25	5.47	1.683
6 1/2% ARBED Finance 77/83P	103.50	7.49	5.67	6.97	1.1183	8 1/2% ESCOM 03/18 (G)	106.00	8.73	2.42								

هكذا من الأهل

Why Canada must, and can, borrow

BY W. L. LUTKENS

DEMOCRACY is all very well but for the need to hold elections and floating exchange rates would be all very well, but for the danger that the currency will actually float. That might roughly be the Canadian situation as viewed in a moment of self-irony from the sumptuous rooms of the Minister of Finance in the neo-Gothic pile that is the House of Commons in Ottawa.

Ever since the Canadian dollar went into a spin at the end of 1976 following (but not because of) the victory of the Parti Quebecois in the Quebec provincial elections, Ottawa has been parrying that the Canadian dollar is allowed to float. In principle that may be true, but the official reserves within that period have declined from \$5.8bn. to \$3.6bn. It seems a lot of money to spend on merely letting the exchange rate float.

The story changes when Mr. Jean Chretien, the Minister of Finance, announced in February that he was drawing upon a line of credit in Euro-dollars set up last year. As a first step he took \$200m., following up with the announcement that the federal government would borrow \$750m. by public subscription in the U.S.

Does that portend a fundamental change of policy? Will Canada, once the pioneer of a floating exchange rate, now try to anchor it? Will an attempt be made to hold the exchange rate at almost any cost where it is now, within sight of the cents 90? Will a high interest policy be adopted to shore up the external position?

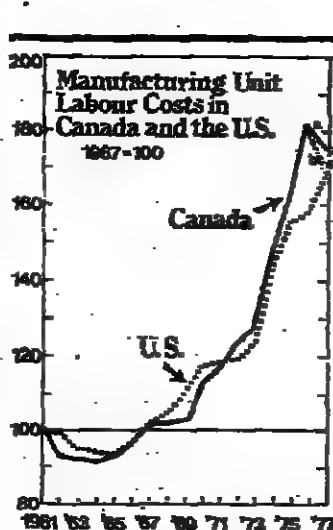
Almost certainly the answer to these questions is "no". But this is where the needs of an electoral democracy come into the picture—and democracy being the sort of animal it is,

can easily be contradictory. Everyone in Ottawa thinks an election is imminent. Admittedly, a year ago they thought so too, only Mr. Pierre Trudeau, the Prime Minister, fooled them. But he will have to go to the polls before the autumn of 1979, and quite plainly higher interest rates would not help him to win.

Economic sense really is on his side in this matter. Mr. Chretien has held out the hope of real growth of 5 per cent. this year (which is barely above potential), but most economists think he will be lucky to get close to 4 per cent. Business confidence is low, and investment plans in the private sector are unimpressive. It is not the moment to make money drauer, and an expansive budget may be indicated.

The implication is that the Canadian dollar will have to look after itself. But another decline would go down badly with the electorate and the Progressive Conservatives—who have a good electoral issue in the state of the economy—are hinting that they would be ready to tighten interest rates and keep the dollar within a defined range. The laugh is on their side this time: when the Liberals came to power more than two years ago, one of their campaign stunts was to issue moth-eaten replicas of dollar bills to draw attention to a similar decline of the dollar then. They called them "Diefenbuck's honour" of the then Prime Minister, Mr. John Diefenbaker.

The pattern then seems to be reasonably clear: take the route of foreign borrowing in the hope that the exchange rate will stabilise, and thereby try to avert political damage. At



Source: C. D. Howe Institute, Montreal, prepared for the Bank of Canada on the assumption of an exchange rate for the C\$ of 100 or 100 U.S. cents.

CANADA'S BALANCE OF PAYMENTS

	1977	1978
Merchandise balance	+3.9	+4.3
Service balance	-7.5	-8.6
Net transfers	+8.4	+8.4
Current account	-4.2	-4.0
Net long-term capital	+4.3	+5.0
Net short-term capital	-1.5	n.a.
Net capital flow	+2.8	n.a.
Change to reserves	-1.4	n.a.

* Estimates. † Includes interest and dividends 1.4bn. in 1977 and 4.2bn. in 1978.

Source: Bank of Montreal.

the same time hold interest rates as far as possible. But as a half point increase in the discount rate on March 9 shows, rates will have to be kept appreciably above those in the U.S.

In the short run that policy will require luck and a slackening of the pressures on the U.S. dollar. Given the structure of Canadian trade (more than two-thirds of which is with the U.S.) the dollar-dollar rate is really the only one that matters. But when the U.S. dollar is in difficulties, suspicion will rapidly concentrate on its little brother, which may get a worse battering as a result.

But there are factors at work which should attract the good fortune required. First of these is that the devaluation of the Canadian dollar from a high point of around \$0.81 in November, 1976 has very visibly helped the trade account. The merchandise account, structure

ally in surplus, improved from a surplus of \$1.1bn. in 1976 to \$3.9bn. in 1977. This year's figure is confidently expected to be better. The tourist account, long a severe problem, should have improved as the exchange rate worsened. But last year's deficit of \$1.1bn. in the first three-quarter was still very bad.

Rather more encouragingly, the dull performance of the Canadian economy with growth rates of 1.1 per cent. in 1976 and 4.9 per cent. in 1977, assisted by a system of wage and profit controls, has broken inflationary expectations. With almost 1m. unemployed in the country, trade unions are putting jobs before wage rises.

The result has been that the unit labour costs of Canadian manufacturers which shot up during the early 1970s have begun to decelerate. The gap opened up between them and unit costs in the U.S., the main competitor, has closed because

of that and the decline of the Canadian dollar.

If the U.S. keeps on the road of expansion, the prospect should be fair for a continued improvement of the merchandise account, and also of the tourist account. But that alone will not put Canada into the black. The current account is seriously depressed by the growing payments of interest and dividends to Canada's external creditors. This year the bill is expected to be close to \$5bn. gross.

With figures of that order of magnitude, balance can be achieved only by a very long term and extremely painful restructuring of just about every aspect of the Canadian economy; or by further borrowing. The latter is the classic route and will no doubt be followed once again. Mr. Chretien's \$750m. flotation is only an episode in that scenario.

The question therefore arises whether Canada is still a good

risk. Canadian borrowers are given double or even triple A ratings in the U.S. Even Quebec with a Government that has been a bit hastily damned as "socialistic" can get the money it wants, though it has preferred to eschew public flotations. In any discussion of Canadian indebtedness it is worth noting that expressed as a proportion of GNP the gross external debt has dropped to about 50 per cent. from a peak of almost 70 per cent. in the early 1960s.

Given the difficulties of some of the borrowers upon the international scene it is reasonably safe to assume that Canada will get what it needs for years to come. The real question is whether it can be put to work constructively, since otherwise the day must come when the burden of interest will become too heavy. From that viewpoint, things do not look discouraging in the longer term.

Canada really seemed to be on the crest of the wave in the early 1970s when it profited from the raw material price boom, specifically in base metals, which has since collapsed. One of the things that have gone wrong is that the proceeds of that boom went into personal incomes, and, as it ended, left deep inflationary scars.

Something else that seemed to go wrong was the hope in the early 1970s that Canada's resources of gas and oil would ensure riches for decades to come. Subsequently it became the accepted view that these resources were already declining, and that the additional reserves to be found in the Arctic, off the Atlantic coast, and in the oil-bearing tar sands of Alberta were going to be too expensive to develop.

can now be seen to have been overdone, so was the subsequent despondency. One significant item of news will illustrate that. Shell, which a few years ago pulled out of the Syncrude scheme to exploit the tar sands is now ready to take a look at the possibilities of a similar \$4bn. plant in the Alberta tar sands with new partners.

Months and perhaps years will pass before there is a decision to go ahead. But things are moving again.

The Syncrude plant itself will be coming on stream later this year, and given the present world price of oil should be paying its way. These are not the only big energy schemes that will be producing jobs, employment for borrowed funds, and, eventually energy.

Commercial exploitation of the heavy oils in the Alberta-Saskatchewan border region is just around the corner; the giant James Bay hydroelectric scheme will be delivering 11,000 megawatts of power by the mid-1980s; and the Alaska Highway pipeline to carry Alaskan gas to U.S. markets, is also coming closer. In the latter case, admittedly, there are certain administrative delays. Expectations that borrowing (with its impact on external payments) will begin within 12 months could prove to have been premature.

Even the conventional gas and oil fields in Alberta have shown that there is life in the old dog yet. Oil has been found near Pembina in a new, deeper horizon, and the find could be big. In addition, Alberta actually has a surplus of gas which could be sold to the U.S. until the Alaskan line comes on. Canada produces 70 per cent of its home oil needs, and already exports large amounts of gas.

Moreover, unless the world has been very radically transformed, one must suppose that base metals will one day recover.

In the long and medium term, therefore, Canada has very strong assets upon which to base an economy of resource-based exports and capital imports. In the short term the problems are obvious. Will the dismantling of wage and profit controls this year, the inflationary effect of devaluation, and the electoral spirit come together to speed up again? A 9 per cent. rise of the consumer price index last year does give food for thought though a good deal of that increase must be blamed on cyclical patterns of farm prices that have more to do with nature than with economics.

These are the questions that have taken precedence in many Canadian minds over the future of Quebec. Even Mr. Rene Levesque, the Premier of that province, has been giving much emphasis of late to the need for people to live within their means, than to his dream of a sovereign Quebec. It fits into the pattern of a growing conservatism in the public mood. Mr. Trudeau has been trying to cash in on it by describing his position as extremism of the centre. But there is no doubt that he has a fight on his hands: his party, though still ahead of the Progressive Conservatives, has slipped badly in the polls. So whatever the long term assets, the next few years will have their share of unsettling uncertainties: a federal election, probably in 1979; a referendum on the future of Quebec, probably in 1979. Mr. Trudeau, Mr. Chretien, and the international banking fraternity, will have plenty of risks to weigh.

Letters to the Editor

The price of tea

From Mr. G. Kramers.

Sir.—The letter from Professor Hague of the Manchester Business School (March 7) suggests that the Price Commission, of which I am a member, is motivated more by prejudice than by the facts placed before them.

The Monopolies Commission investigated the tea trade and found no cause for complaint, but Professor Hague states quite categorically that there is no true competition between the tea blenders. Although the Price Commission did not seek out and publish evidence in support of such a statement, Professor Hague's letter will be seized upon by interested parties in the producing countries to justify a ban on tea being sent to the London auctions and the result may well be that the consumer in this country has to pay more.

Both the big blenders and smaller tea firms would then have to purchase all their supplies in the markets in India, Bangladesh, Sri Lanka and Africa.

The big upsurge in world tea prices occurred in March and April 1977, when housewives in this country and abroad warned in the media of price increases on the way, stocked up and thereby aggravated the situation. The Price Commission is now talking the market down so that housewives, who are holding back, producing countries will not be pleased and all may now be persuaded that they are on their own and that they must combine and restrict the quantities of tea that may be exported.

Anyone with business experience knows that even if a firm tries to base prices on higher replacement costs, there is always a time lag in putting through any increase. He would also know that in a falling market, somebody, with expensive stocks to use up, will sell at prices based on the lower market prices. If prices remain low, everyone in the trade, sooner or later, will be obliged to lower their prices even if they have accepted stock losses.

In the calendar year 1975 just over 2m. packages of tea were sold in the London auctions at an average of 62.38p per kg. in 1976 some 1.8m. packages were sold at an average of 64.13p and in 1977 nearly 2m. at an average of 156.33p. Up to the end of February this year 140,528 packages had been sold at an average of 123.88p per kg. The Price Commission maintains that blenders have been able to make stock profits in 1977 by basing their selling prices on the replacement cost and that they should now accept stock losses by basing their selling prices on the current over market prices.

In this connection one must remember that the Government introduced stock relief to help firms to finance stocks at the higher levels caused by inflation. As the tea blenders made stock profits in 1977 they will have been able to claim stock relief and the deferred tax on stock relief will now be helping them finance stocks at the higher levels now obtaining. (An average so far in 1978 of 123.88p compared with 62.38p in 1975.)

U.K. publicity overseas

From the Deputy General Secretary, Institution of Professional Civil Servants.

Sir.—If the Government is really determined to use the breathing space provided by North Sea oil to regenerate our manufacturing industry and to attract the inward investment that can help to reduce our high unemployment, can anyone explain why it also appears to be steering a course which means that progressively less resources are available to publicise British affairs overseas?

Over the years there has been a steady erosion of information work undertaken by British Embassies and missions. Between the Duncan Report of 1969 and the end of 1975 there was a cut of 46 per cent. in information staff overseas. This trend has continued and there are now only some 63 U.K.-based information officers spread over nearly 140 stations.

We now learn that the British Ambassador in Washington has recommended that the staff of New York should be cut by half; this in our biggest and most competitive market. Meanwhile, Ministers are no doubt considering what course of action they should adopt on the Central Policy Review Staff report which recommended that information work should be cut by two-thirds.

Thus we have a situation in which at one end of the pipeline the Government is ready to devote hundreds of millions of pounds to supporting industry and its product development, while at the other end it is prepared to contemplate savage cuts in overseas information work at an annual saving which can only be by comparison, peanuts.

The total budget for overseas information is already tiny enough, in all conscience. During the continuing world recession it remains of paramount importance to continue export promotion. British developments to the world's Press, radio and TV against the day when growth is resumed. I am sure our competitors will view with delight any diminution in our publicity efforts and, at once, such a reduction in our overseas information work would be an act of folly for the Government to save pennies if the result is a falling away of support for Britain's export drive on which our future depends.

Cyril Cooper, Northumberland Street, W.C.2.

The debate on house prices

From the Chairman, Council of the Building Societies Association.

Sir.—Under the heading of "King Canute strikes again" Mr. Joe Renshaw (March 4) in an otherwise perceptive article on the current debate on house prices, makes a totally inaccurate and misleading statement about the Government's loan to building societies in 1974. In order to avoid a repetition and for the sake of historical accuracy, I would appreciate the opportunity of putting the record straight.

The facts were that early in 1974 the Bank minimum lending rate had risen to 13 per cent. which, at that time, was the highest ever. Interest rates generally had risen and in the normal course of events building society rates would have been increased correspondingly. The Government, however, was deeply concerned about the rate of inflation in the economy and because of the impact of mortgage interest on household budgets, asked the societies not to increase the mortgage interest rate. The societies pointed out that to agree to this would mean an reduction in the availability of mortgage funds with an adverse effect on the house building industry.

The Government then made £500m. available by way of loans for on-lending by building societies provided that the mortgage rate was not increased. These loans were temporary and largely repaid within 12 months. There was no question, as wrongly stated by Mr. Renshaw, of building societies "begging for a loan in April 1974"—quite the reverse.

R. C. Storey, 14, Park Street, Mayfair, W.1.

Political points

From the President, West Stroudham Conservative Association.

Sir.—May I beg the courtesy of your columns to repudiate some of the wilder statements of Mr. Hayward in his letter of March 8. Each time Mrs. Thatcher lifts a corner of the Labour web to reveal issues that Labour would prefer to be left undisturbed and unnoticed there are howls of anguish from Mr. Callaghan and his colleagues—now we have Mr. Hayward threatening for Mrs. Thatcher's blood.

Immigration? It was Mr. Callaghan, who does not believe in the "numbers game," who was able to tell the Indian Parliament that there are to-day more from the Indian sub-continent dwelling in the U.K. than there were British dwelling in India at the height of the rule of the Raj. The point is that Mrs. Thatcher has spoken on this issue only in the most conciliatory terms—all the emotive terms such as "battered," "swamp," etc. have been used by her Labour critics in their attempts to vilify her. The issue was never put to the inhabitants of this country, and it should have been since it is a matter that touches every indigenous Briton. It is not too late. Labour can, and feeling as they do, should make the matter a plank of their electoral platform.

Law and order? If Mr. Hayward claims more is being spent on combating rising crime it is surely because his Party's Government has created the need for increased spending—Shrewsbury and Grunwick, for example, are not places, but events where the rule of law was challenged. Thankfully, in the end, the law

Index-linked pensions

From the Managing Director, Harris Graham and Partners.

Sir.—The continuing controversy concerning the introduction of civil servants' pensions, to which Mr. Gilley added his voice on March 7, is bedevilled by a lack of suitable figures, an amazing situation for a subject of such an acute nature. The main figure being bandied about—the 12 per cent. of pay to cover indexation of civil servants' pensions—is, apparently, a net figure and reflects differences in other areas apart from indexation. The indexation element has not been identified as a separate item.

Against this background it is surprising that no reference seems to have been made in the Press of the extremely interesting figures quoted in paragraph 30 of the report by the Government Actuary on the draft of the Social Security (Contributions, Re-rating) (No. 2) Order 1977 (Cmd. 7038).

This paragraph compares the Government Actuary's estimates of the cost of providing a guaranteed minimum pension through a funded pension plan for a contracted-out employee (7 per cent. per annum) with the corresponding cost for a self-employed person (12 per cent.). The main difference between the two situations is that in the former case the 7 per cent. per annum secures a fixed pension (since the contracted-out member will, in fact, receive post-retirement indexation, financed through a State scheme on the guaranteed minimum pension), whereas the 12 per cent. per annum relates to the cost of an inflation-proofed pension.

Thus, on this basis, the cost of indexation is calculated as some 80 per cent. of the cost of providing the main pension benefits. Taking the cost of the benefits under a typical private pension plan of say, 18 per cent. of pay, the cost of indexation on the Government Actuary's basis would seem to be around 14 per cent. of pay for such a plan.

M. D. Evans, 20, Queen Anne's Gate, Westminster.

To-day's Events

The Queen and Duke of Edinburgh attend Commonwealth Day service in Westminster Abbey.

Second in series of three Cantor lectures on the theme "The Creation of Wealth" is given by Mr. R. H. Grierson (General Electric Company), who speaks on "The Mirages of the State as Sovereign" at the Royal Society of Arts, John Adam Street, W.C.2. Sir Arthur Knight, chairman, Courtauld, presides.

Manchester Chamber of Commerce trade mission to Hungary begins (until March 17). Sir Peter Vaneek, Lord Mayor of London, and his Sheriffs attend

Pewterers' Company dinner, Goldsmiths' Hall, E.C.4.

PARLIAMENTARY BUSINESS: House of Commons: Defence debate. Motion on the Fiduciary Note Issue (Extension of Period) Order.

House of Lords: Suppression of Terrorism Bill, third reading; Housing (Financial Provisions) (Scotland) Bill, second reading; Civil Aviation Bill, committee.

OFFICIAL STATISTICS: Retail sales (February, provisional). COMPANY RESULTS: Rolls-Royce Motors (full year). COMPANY MEETINGS: See Week's Financial Diary on Page 30.

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Your international connection



The Application List for the Ordinary shares now offered for sale will open at 10 a.m. on Thursday, 16th March, 1978, and will close at such later time on the same day as County Bank Limited may determine.
A copy of this Offer for Sale, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration.
Application has been made to the Council of The Stock Exchange for the whole of the issued Ordinary share capital of Saga Holidays Limited ("the Company") to be admitted to the Official List.
This Offer for Sale contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

SAGA HOLIDAYS LIMITED

Offer for Sale

by

County Bank Limited

of

2,100,000 Ordinary shares of 20p each at 105p per share payable in full on application

The shares now offered rank in full for all dividends hereafter declared or paid on the Ordinary share capital of the Company.

Share Capital

Authorised	Issued and now being issued fully paid
£1,500,000	
in 7,500,000 Ordinary shares of 20p each	£1,300,000

Indebtedness

The Company and its subsidiaries ("the Group") have outstanding contingent liabilities in respect of counter-indemnities in favour of their principal bankers relating to guarantees of the Group's liabilities, to a passenger carrier up to a maximum of £15,000 and, in respect of a bond issued to The Association of British Travel Agents Limited to cover a maximum liability of £715,700. These liabilities, and other present or future liabilities of the Group to its principal bankers (of which there was none outstanding on 24th February, 1978) are secured by mortgages on certain properties of the Group.

Save as aforesaid, and apart from inter-company liabilities, on 24th February, 1978 the Group had no loan capital outstanding or created but unissued, and no outstanding mortgages, charges, borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptances credits, hire-purchase commitments, guarantees or other material contingent liabilities.

Selected Information

The Group's business is principally that of an operator of off-season inclusive holidays for those over the age of sixty offering a wide range of U.K., overseas and cruise holidays.

The Group's management has over the past 25 years built up considerable expertise in devising, marketing and operating holidays for people aged over sixty and the directors believe that, in terms of the number of holidays taken, the Group is not only amongst the largest tour operators based in the U.K., but is also the predominant such operator specialising in holidays for the over sixties.

The Group owns and operates three hotels in the U.K., two of which are used almost exclusively for holidays operated by the Group.

Further information about the Group's business is set out under "Business".

The Group's trading figures for the five years ended 30th June, 1977 are as follows:—

Year ended 30th June	Turnover £'000	Profit before taxation £'000	Number of inclusive holidays taken
1973	1,309	88	39,980
1974	1,939	129	52,600
1975	4,296	342	84,830
1976	7,796	614	121,600
1977	13,017	1,316	162,050

Further financial information about the Group is set out in the Accountants' Report.

The directors forecast, on the basis of the assumptions set out under "Information relating to the profit forecast" that in the absence of unforeseen circumstances the Group's profit before taxation and extraordinary items for the year ending 30th June, 1978 will be not less than £1,850,000.

At 24th February, 1978 the Group had received confirmed bookings for holidays with a total sales value of £5.3 million to be taken during the next financial year ending 30th June, 1978. This represents an increase of 55 per cent. over the comparable figure at 24th February, 1977 in respect of holidays to be taken during the current financial year, reflecting both an increase in volume and, to some extent, earlier booking.

The net tangible assets of the Group as shown by the audited consolidated balance sheet at 31st December, 1977, adjusted to reflect the net proceeds of the issue, were £1.78 million.

At 31st December, 1977 the Group held the following cash balances:—

	£'000
Amounts received for holidays in advance	4,969
Other balances	1,853
	6,822

On the basis of the illustration set out under "Appropriation of profit" the gross equivalent dividend yield of the shares of the Company at the offer price would be 9.74 per cent, and the price earnings ratio would be 7.1.

Directors

Sidney De Haan (Chairman)
Enbrook House, Sandgate, Folkestone, Kent.
Roger Michael De Haan (Managing Director)
Enbrook House, Sandgate, Folkestone, Kent.
Sydney John Moss
Enbrook House, Sandgate, Folkestone, Kent.
Roger Dudley Crick (Non-Executive)
Enbrook House, Sandgate, Folkestone, Kent.

Secretary and Registered Office

Peter Charles De Haan, ACA
Enbrook House, Sandgate, Folkestone, Kent.

Principal Bankers

National Westminster Bank Limited, Europa House,
48 Sandgate Road, Folkestone, Kent CT20 1RU.

Brokers to the Company

L. Messel & Co., P.O. Box 521, Winchester House,
100 Old Broad Street, London EC2P 2HX.

Solicitors to the Company

Lovell, White & King, 21 Holborn Viaduct,
London EC1A 2DY.

Solicitors to the Offer

Travers Smith, Braithwaite & Co., 6 Snow Hill,
London EC1A 3AL.

Auditors and Joint Reporting Accountants
Safferys, Chartered Accountants, St. Martins House,
16 St. Martin's-le-Grand, London EC1A 4EP.

Joint Reporting Accountants

Whitney Murray & Co., Chartered Accountants,
57 Chiswell Street, London EC1Y 4SY.

Registrars and Transfer Office

National Westminster Bank Limited,
Registrar's Department, P.O. Box 82,
National Westminster Court, 37 Broad Street,
Bristol BS99 7NH.

The following information concerning the Group has been received by County Bank Limited from the directors of the Company:—

HISTORY

The activities of the Group have their origins in the hotel business started in 1950 by Mr. Sidney De Haan, the present Chairman. Mr. De Haan wished to fill his 36-bed hotel in Folkestone in the off season and recognised that retired people would be the group most able to take holidays during that period.

The concept of marketing off-season holidays directly to retired people was immediately successful and by 1958 the number of holidaymakers had reached a sufficient size to warrant the chartering of special trains. This was the beginning of the close relationship still maintained with British Rail.

In 1959 the Company was formed to acquire Mr. De Haan's travel business and, in 1960, in order to concentrate on this business, he disposed of his hotel interests.

During the 1960s the Company's business and reputation grew steadily and contacts were increasingly developed with clubs and organisations concerned with the welfare of retired people. In 1966 for the first time the Group began to market its holidays under the name of Saga and promoted sales through its own regular publication, Saga News.

As the disposable income of pensioners gradually increased through improved pension arrangements the Group identified a demand for overseas holidays and accordingly cruise and overseas holidays were added to the programme in 1966 and 1970 respectively.

The Group acquired two hotels in Scotland in 1976 and one in Folkestone in 1977.

BUSINESS

The Group's business is principally that of an operator of off-season inclusive holidays for those over the age of sixty offering a wide range of U.K., overseas and cruise holidays. It also owns and operates three hotels in the U.K., two of which are used almost exclusively for holidays operated by the Group.

The Group's management has over the past 25 years built up considerable expertise in devising, marketing and operating holidays for people aged over sixty and the directors believe that, in terms of the number of holidays taken, the Group is not only amongst the largest tour operators based in the U.K., but is also the predominant such operator specialising in holidays for the over sixties.

The table below shows the number of inclusive holidays taken with the Group over the last five years:—

Year ended 30th June	Number of holidays
1973	39,980
1974	52,600
1975	84,830
1976	121,600
1977	162,050

The Company is a member of The Association of British Travel Agents Limited.

Pricing

The concept of the Group's business is based upon the ability of retired people to take holidays outside the peak period and thus to benefit from the cost savings attributable to the mass availability of transport and accommodation at that time. The strength of the Group's purchasing power, coupled with its high reputation, enables it to acquire large amounts of transport and accommodation at low rates. By specialising in off-season holidays the directors believe that, whilst maintaining adequate trading margins, the Group's prices are generally lower, and in some cases substantially lower, than those of comparable off-season holidays operated by other companies.

The directors have made a comparison as at 1st March, 1978 of the Group's 278 prices of two week overseas holidays with those shown in the latest principal summer brochures of the other tour operator members of The Association of British Travel Agents Limited with a turnover not less than that of the Group. This comparison shows that in respect of the 36 daytime flights using London airports on holidays for which these other tour operators use the same hotel during the same weeks as the Group:—

the average price (including the amount charged for airport taxes) for the 36 departures is £142.11 per holiday being 12.5% more than the Group's average price of £126.50; and

in all cases the Group offers the same items in the package price as the other operators but also includes return rail fare within the U.K., transport across London and holiday insurance; none of these items is stated to be included by the other operators.

The Group normally reserves the right to amend the prices of holidays in light of exchange rate movements or increases in fuel costs. The directors are, however, rarely found in necessary to increase prices for these reasons, and it is their policy to reduce the effect of currency movements by making use of the concession available to tour operators to purchase foreign currency forwards.

Services included in holidays

It has always been part of the Group's policy to create holidays which are fully inclusive and which take into account the needs and preferences of people over sixty. In addition to the services generally included in package holidays, the following extra items are included in the price of holidays operated by the Group:—

- return rail travel between the holidaymaker's local station and the U.K. resort, or the point of departure from the U.K. in the case of overseas and cruise holidays;
- transport across London with courier assistance;
- all tourist, port and airport taxes; and
- comprehensive holiday insurance for overseas and cruise holidaymakers.

The directors consider it important that, as far as possible, the prospective holidaymaker knows from the outset what his basic outlay will be and the Group therefore includes in its holiday price the items listed above, which are normally charged as extras by other tour operators.

Marketing

The Group markets its holidays directly to the customer and as a result generally expects to receive approximately 70 per cent. of its bookings direct. In this way the Group avoids much of the cost associated with marketing holidays through travel agents, bookings through which have never exceeded 35 per cent. of the total holidays taken in any year.

The Group advertises in national and local newspapers and issues brochures and other literature to people on its mailing list. Advertising and promotional costs have never been more than 3 per cent. of turnover and in the Group's financial year ended 30th June, 1977 amounted to only 1.9 per cent.

New links are being continually established with organisations with a view to arranging group travel. Amongst these organisations whose members have made party bookings for 1978 are The Civil Service Retirement Fellowship, Unilever Pensioners' Club, North Thames Gas Retirement Fellowship and the Post Office Retired Staff Association.

A significant part of the Group's business is derived from the large number of film shows and lectures about its holidays which are given throughout the year by the Group's representatives. In addition, the Group's literature is displayed in many public libraries, Citizens' Advice Bureaux, Tourist Information Centres and certain offices of Age Concern.

Saga Club and Saga News

As a means of establishing and maintaining contact with those over the age of sixty, a scheme was introduced in 1966 for people in this age group to subscribe to the Saga Club, through which the Group distributes to subscribers its main holiday brochures twice a year, a copy of the quarterly magazine, Saga News, and specially prepared information sheets on matters of interest to the over sixties.

Saga News, which has a circulation in excess of 500,000 copies, contains within its 16 pages articles of general interest to retired people, up-to-date holiday information and articles on legal, financial, medical and other matters. A feature of the magazine is its "Matchmaker" service which puts lonely people in touch with others in a similar situation.

As many subscribers receive the magazine in their capacity as representatives of associations, the directors believe that through Saga News the Group is in touch with more than 1,000,000 people aged over sixty.

Range of Holidays

The table below shows the division of turnover between the Group's U.K., overseas and cruise holidays in the five years ended 30th June, 1977:—

Year ended 30th June	U.K. %	Overseas %	Cruise %	Total
1973	94.6	1.2	3.2	1,309
1974	1,234	64	343	1,939
1975	1,784	42	1,437	4,296
1976	2,813	28	3,154	7,796
1977	4,517	34	5,934	13,017

Turnover of the Group's hotels for the year ended 30th June, 1977 was not significant and is included in the U.K. holiday figures. It is anticipated that the proportion of hotel turnover which is not represented by holidays taken with the Group will remain insignificant in relation to total turnover for the foreseeable future.

The Group arranges holidays in the U.K. throughout the year. The main programme comprises one and two week holidays during the spring and autumn to 36 different locations using mainly hotels, although guest houses and holiday camps are also used. Holidays are also arranged in the Channel Islands, the Isle of Man and the Republic of Ireland.

During the summer period the Group arranges a large number of one week holidays utilising university accommodation in touring centres in some of which a choice of full board or self-catering is available. The Group's hotels at Aberfoyle and Melrose in Scotland are also used extensively.

The Group operates a wide range of overseas holidays. In Spain, the Canary Islands, Portugal, Malta, Southern Yugoslavia and Southern Italy a continuous programme is operated from September until May. In Northern Yugoslavia and Northern Italy the periods of operation are from September to November and from March until June. Coach tours with a cultural emphasis are operated in Spain, Italy, Yugoslavia and Rumania.

The Group's range of higher-cost overseas holidays includes three and four week holidays to the Far East using scheduled flights and luxury hotels in Bangkok, Singapore and Hong Kong.

The Group arranges a world-wide programme of cruise holidays with a number of international shipping companies. In most cases the Group secures an allocation of cabins, but for certain cruises it takes over all the accommodation for a particular sailing. The areas mainly served are the Canary Islands and the Mediterranean. Other destinations include the Caribbean, North America, Northern Europe and Africa. Holidays are also offered which combine a cruise with a hotel stay in the Canary Islands, the Mediterranean, the Far East or South America.

The Group has for several years marketed world cruises and in 1977, for the first time, arranged its own world cruise with Costa Line Cruises Limited. In view of its success the Group intends to repeat this venture in 1978.

In recent years the Group has identified an important market amongst those wishing to combine their holiday with the pursuit of a hobby or interest. Accordingly, a diverse programme of holidays offering a choice of fifteen different activities such as bowls, dancing, bridge and golf is operated both in the U.K. and overseas.

Hotels

The Group owns the following fully licensed hotels; all of which are freehold:—

The Burlington Hotel, Folkestone

The Burlington Hotel, which was acquired in 1977, is situated on The Leas at Folkestone overlooking the English Channel. It is the only 4 star (AA) hotel in Folkestone.

The hotel has 56 bedrooms, each with a private bathroom, television, radio and telephone. The total number of beds available is 91.

The Covenanters' Inn, Aberfoyle

The Covenanters' Inn is situated in the Trossachs on the edge of the Southern Highlands of Scotland. It stands in approximately 3 acres of grounds overlooking the town of Aberfoyle and the Forth Valley.

The hotel, which was acquired in 1976, has just been refurbished and is expected to reopen at the end of March 1978. It has 49 bedrooms, 38 of which have private bathrooms or showers, and the total number of beds available is 95.

Waverley Castle Hotel, Melrose

Waverley Castle Hotel, which was built in 1888, is situated in the Tweed Valley and stands in approximately 6 acres of grounds.

After its acquisition in 1976, the hotel was extensively refurbished and was reopened in April 1977. It has 104 bedrooms (38 having private bathrooms or showers) and the total number of beds available is 206.

The Covenanters' Inn and Waverley Castle Hotel were purchased in order to provide suitable accommodation for holidays which the Group wished to offer in Scotland. These hotels will therefore be used primarily for holidays operated by the Group. A limited number of the Group's holidays will also be operated at the Burlington Hotel in the off season.

The directors will continue to follow a policy of acquiring hotels in areas where the Group has difficulty in obtaining suitable accommodation but wishes to offer holidays. Although the existing hotels have not been operated by the Group for a sufficient length of time to have made a contribution to profitability, the Group's ability to achieve high occupancy levels by the hotels' inclusion in the holiday programme is likely to ensure a satisfactory return on such investments.

Cash Balances

The Group has found over the last five years that customers are tending to book holidays earlier each year to ensure that they obtain their first choice of holiday destination. In addition, the Group offers a discount, known as the "Saga Saver", to customers who wish to pay for their holidays in advance of the normal requirements of the Group's booking conditions.

SAGA HOLIDAYS LIMITED

Continued

Although the total amount of cash held by the Group is subject to seasonal fluctuations, the amount which is effectively under its control on a continuing basis has increased in each year for the last five years. This has enabled the Group to place a large proportion of its total funds on term deposit with local authorities as a result of which, when budgets are prepared, the directors can forecast relatively accurately the Group's interest income for the coming year. This enables margins on holidays to be adjusted to compensate for any substantial changes from year to year in forecast interest income which the directors believe is an important factor in maintaining steady profits growth. Such adjustments in trading margins have never been of a sufficient size to affect the Group's competitive position.

It is the Group's policy to maintain its deposits with local authorities until maturity, although prior realisation would be possible at any time. Maturities of the deposits with local authorities at 31st December, 1977 are set out in the Accountants' Report.

MANAGEMENT

Directors

Mr. S. De Haan, aged 59, is the founder of the business and has been Chairman of the Company since its incorporation in 1959. He has had over thirty years' experience in the hotel and travel industry and maintains overall control of Group finance together with responsibility for the Group's three hotels.

Mr. R. M. De Haan, aged 29, a son of the Chairman, joined the Group from school in 1965. He was appointed a director in 1969 with responsibility for marketing and suppliers' contracts and became joint Managing Director in 1974 and Managing Director in 1976. He has responsibility for day-to-day management of the Group.

Mr. S. J. Moss, aged 57, was senior partner of a firm of solicitors in Folkestone when he retired from practice in March 1977. He was formerly a non-executive director of the Company for 12 years and is now an executive director with overall responsibility for legal work and administration.

Mr. R. D. Crick, BA (Cantab), aged 55, a brother-in-law of the Chairman, has been a non-executive director of the Company for 18 years.

Senior Management

Mr. F. J. M. Frost, aged 53, joined the Group in 1967 as Office Manager. In 1970 he was appointed General Manager with responsibility for the running of the head office in Folkestone.

Mr. A. C. Doyle, aged 42, joined the Group in 1967. He was responsible for administration from 1971 until 1976 when he assumed his present responsibility for the Group's cruising programme.

Mr. J. A. Le Masurier, BA, aged 30, joined the Group in 1969 from Exeter University. He was appointed advertising manager in 1971 and assumed overall responsibility for marketing in 1977.

Mr. J. W. H. Graham, FCA, aged 36, joined the Group in 1977 as Group Accountant, having had six years' experience in the holiday industry. He has overall responsibility for the Group's accounting function.

Mr. L. M. Vincent, BA, aged 29, joined the Group in 1969 from Exeter University. Having led to gain experience in overseas holidays, he rejoined the Group after two years in 1974. He is now responsible for overseas operations.

Mr. J. H. Bishop, aged 33, joined the Group in 1974 as editor of Saga News and public relations officer, having spent 9 years in travel journalism. He is now responsible for all Group publications and public relations.

Staff and Administration

At 31st December, 1977 the Group had 352 full time and 101 part time employees.

Departmental managers, in conjunction with the personnel department, are individually responsible for the welfare of the staff under their control and the Group has always enjoyed good staff relations. Terms of employment include a non-contributory pension and life assurance scheme, and the Group also provides a social club and sporting facilities.

For a number of years it has been the directors' policy to engage graduate management trainees and currently eleven such trainees are employed. Younger staff are actively encouraged to undertake further training. The directors believe that the senior management potential within the Group is a considerable strength.

Administration is the responsibility of ten departmental managers under the direction of an operating board consisting of the executive directors of the Company together with Mr. Frost, Mr. Doyle and Mr. Le Masurier.

In 1977 the Group computerised certain accounting, administrative and management information functions. The output required of the system is not highly sophisticated and since the computer became operational in September 1977 no major difficulties have been encountered.

PROPERTIES

The following are the principal properties owned by the Group:

Enbrook House, Folkestone

Enbrook House is the Group's freehold head office situated one mile from the centre of Folkestone. The Group currently has consent for office use for 30,000 sq. ft. of the total floor area of approximately 55,000 sq. ft. An application has recently been submitted to the Department of the Environment for consent to use the total floor area for office and ancillary purposes. The property includes approximately 27 acres of grounds in which there are sports facilities for the Group's staff including a gymnasium and a football pitch.

Enbrook House is shown in the Group's balance sheet at its 1977 acquisition cost of £203,000. The existing planning consent for use as an office has been restricted to the Group, and a further application would be necessary for office use of the property by a purchaser. The directors believe that if this restriction did not apply to the property its present value would be substantially in excess of the amount shown in the Group's balance sheet.

Hotels

Details of the Group's three hotels are shown under the heading "Hotels". These hotels with their trade furniture, furnishings and equipment are included in the Group's balance sheet at an aggregate book value of £754,000.

Valuations

Knight, Frank & Rutley, Surveyors and Valuers, have valued the above properties at open market value according to their existing use with the exception of Enbrook House which, due to the planning restriction mentioned above, has been valued with the benefit of vacant possession as an institutional building. The three hotels have been valued as operating going concerns inclusive of the trade furniture, furnishings and equipment. The valuation dated 24th February, 1978 places on the properties an aggregate value of £910,000 which compares with the expected book value of £1,056,000 after completion of renovations at the Covenanters' Inn. The difference relates to the two hotels in Scotland owned by the Group. It is not intended to incorporate this valuation in the Group's accounts because the directors consider that the value of these properties to the business of the Group is greater than open market value and exceeds the amount at which they are included in the accounts.

Site of the Wampach Hotel, Folkestone

Other properties owned by the Group include the site of the Wampach Hotel in the centre of Folkestone which was acquired in 1974 with a view to redevelopment. Shortly afterwards the existing building was extensively damaged by fire and demolished. In view of the subsequent increase in construction costs the site comprising approximately 0.4 acres has not been redeveloped. The directors, however, intend to retain this freehold property as an investment; having written it down in the Group's accounts to their valuation of £20,000.

PROCEEDS OF THE ISSUE

The shares now being offered for sale include 1,525,000 shares being sold by the existing shareholders of the Company. The balance of 675,000 shares are new shares which, after deducting the expenses of the Offer for Sale estimated at £230,000, will raise £373,750 of additional finance for the Group.

The new capital now being raised will strengthen the net asset position of the Group and will provide additional funds for the expansion of its holiday and hotel interests when suitable opportunities arise.

WORKING CAPITAL

The directors are of the opinion that the Group has adequate working capital for its present requirements.

PROFITS

The Accountants' Report shows the profit of the Group before taxation and extraordinary items for the five years ended 30th June, 1977, and for the six months ended 31st December, 1977. During the five years ended 30th June, 1977 the Group's turnover increased from £1.3 million to £13.0 million and profit before taxation from £29,000 to £1.32 million. Turnover and profit before taxation for the six months ended 31st December, 1977 were £2.9 million and £792,000 respectively.

Having regard to the profit earned in the six months ended 31st December, 1977, holidays taken since that date, and the level of bookings for holidays to be taken in the remainder of the current half-year, and on the basis of the assumptions set out under "Information relating to the profit forecast", the directors forecast that in the absence of unforeseen circumstances the consolidated profit of the Group before taxation and extraordinary items for the year ending 30th June, 1978 will be not less than £1,550,000.

DIVIDENDS

On the basis of the directors' forecast of profit for the year ending 30th June, 1978 the directors intend to recommend for payment in November 1978 a final dividend of 4.5p per share (8.2p with related tax credit). This would be the first dividend payable by the Company subsequent to the Offer for Sale.

In respect of a full year in which a similar level of profit was earned, the directors would expect to recommend dividends totalling 9.75p per share (10.25p with related tax credit). It is intended in future years to pay an interim dividend in April and a final dividend in November.

If current legislation regarding dividends, which expires on 31st July, 1978, is renewed in its present form the Company will not be subject to any dividend restrictions in respect of the two years ending 30th June, 1979, but dividends thereafter would be subject to statutory control.

APPROPRIATION OF PROFIT

The following table sets out, by way of illustration only, how a profit before taxation of £1,550,000 would be appropriated, assuming corporation tax at the rate of 32 per cent. and total dividends of 8.75p per share on the enlarged share capital of £1,500,000:

Profit before taxation	£'000
Less: taxation	1,550
Profit after taxation	553
Less: dividends totalling 6.75p per share	405
Profit retained	452

On the basis of this illustration, the dividend would be covered 2.19 times by the profit after taxation. The dividend together with the related tax credit would represent a gross equivalent dividend yield of 9.74 per cent. on the offer price of the shares. At the offer price, the Company would be valued on a price earnings ratio of 7.1.

PROSPECTS

The directors consider that improved retirement benefits in both State and private schemes will ensure continuing growth in demand for holidays for the over sixties; a section of the U.K. population which totalled approximately 10.5 million at the time of the last Census in 1971.

Although the Group is constantly developing the market for its holidays, it has always exercised control over the annual increase in the number of holidays operated. This policy, which the directors intend to continue, has enabled the Group to achieve high utilisation of the transport and accommodation made available to it with the result that selling prices are maintained at a competitive level and operating profits are maximised. In addition the relationship with suppliers which results from high utilisation of facilities will, in the opinion of the directors, ensure that sufficient additional transport and accommodation capacity will become available to the Group to ensure that planned future expansion can be achieved. The diversity of the Group's range of holidays and of the destinations to which it operates, coupled with controlled growth, is designed to ensure that the Group will avoid the problems which in the past have had serious consequences within the travel industry.

The number of holidays taken with the Group in the year ending 30th June, 1978 is expected to be approximately 190,000. The directors are planning to continue to increase the volume of holidays operated over the next few years and estimate that the Group will arrange more than a quarter of a million holidays in the year ending 30th June, 1979.

At 24th February, 1978 the Group had received confirmed bookings for holidays with a total sales value of £6.3 million to be taken during the next financial year ending 30th June, 1979. This represents an increase of 55 per cent. over the comparable figure at 25th February, 1977 in respect of holidays to be taken during the current financial year, reflecting both an increase in volume and, to some extent, earlier booking.

ACCOUNTANTS' REPORT

The following is a copy of the report of Safferys, Chartered Accountants, auditors of the Company and Joint Reporting Accountants of Whymper Murray & Co., Chartered Accountants, Joint Reporting Accountants, to the directors of the Company and of County Bank Limited, 57 Chancery Street, London EC2Y 4ST, 9th March, 1978.

THE DIRECTORS, SAGA HOLIDAYS LIMITED AND COUNTY BANK LIMITED

Gentlemen,

We have examined the audited accounts of Saga Holidays Limited ("the Company") and of its subsidiaries for the five years ended 30th June, 1977 and for the six months ended 31st December, 1977. The Company and its subsidiaries are hereafter collectively referred to as "the Group". All the subsidiaries have been wholly owned throughout the relevant periods except for:

(a) The Wampach Hotel (Folkestone) Limited of which the Company purchased 100 per cent. of the share capital on 22nd April, 1974 at a cost of £145,000; and

(b) The Burlington Mansions Limited of which the Company purchased 100 per cent. of the share capital between 14th December, 1976 and 7th March, 1977 at a cost of £200,000. For accounting purposes these shares are treated as having been acquired on 31st January, 1977. Safferys have been auditors of all the companies in the Group throughout the relevant accounting periods.

The information set out below is based on the audited accounts of the Group after making such adjustments as we consider appropriate. These accounts have been prepared on the historical cost convention save insofar as certain fixed assets have been revalued at an amount in excess of cost. In our opinion the information gives, on the basis of the accounting convention stated above, a true and fair view of the profits and losses and application of funds of the Group for the five years and six months ended 31st December, 1977 and of the state of affairs of the Group at each 30th June from 1972 to 1977, and at 31st December, 1977 and of the Company at 31st December, 1977.

3. Accounting policies

The following are the principal accounting policies adopted in preparing the financial information set out in this Report:

(a) Principles of consolidation

The annual accounts of the Company and of its subsidiaries have been made up to 30th June in each year. Audited accounts have also been prepared for the six months to 31st December, 1977. The Group accounts include the results and assets and liabilities of the Company and all its subsidiaries for the relevant periods since acquisition. Goodwill arising on consolidation is not being amortised. For the purposes of the Group accounts the Saga Club has not been treated as a separate entity.

(b) Fixed Assets

Fixed assets are stated at cost or at valuation except for the site of the Wampach Hotel which has been written down. Depreciation is provided on all fixed assets with the exception of freehold land and buildings. The provision for depreciation is calculated so as to write off the cost of the fixed assets over their expected useful lives. The rates of depreciation used by the Group, applied on a straight line basis, are:

Leasehold property	— amortised equally over the remaining period of the lease
Furniture and equipment	— 15 per cent. per annum
Motor vehicles	— 10 per cent. per annum
Motor vehicles	— 50 per cent. per annum

The principal properties of the Group were professionally valued by Knight, Frank and Rutley, Surveyors and Valuers, on 24th February, 1978 on an open market basis. However, these valuations have not been incorporated in the Group's accounts because the directors consider that the value of these properties to the business of the Group is greater than open market value and exceeds the amount at which they are included in the accounts.

(c) Cash received for holidays in advance

All cash received by the Group in an accounting period in respect of holidays with starting dates in future accounting periods is treated as a receipt in advance at the balance sheet date and is separately disclosed in the balance sheet together with a corresponding amount representing the customers' payment deposited with banks or local authorities.

(d) Brochure and advertising costs

A proportion of the expenditure on advertising, including brochure and postage costs incurred in an accounting period but in respect of holidays with starting dates in the next accounting period, is treated as a prepayment at the balance sheet date and is written off in a subsequent accounting period.

(e) Rates of exchange

Foreign currency balances have been expressed in sterling either at the rates subsequently realised, if known, or otherwise at the rates ruling at the balance sheet date.

(f) Deferred taxation

Deferred taxation is calculated using the liability method on the excess of the book values of fixed assets qualifying for tax allowances over the written down value of those assets for taxation purposes. Advance corporation tax available more than one year after the balance sheet date has been deducted in arriving at the liability for deferred taxation shown in the balance sheet.

4. Profit and loss accounts

The consolidated results of the Group for the periods under review are as follows:

	Year ended 30th June					6 months ended 31st December
	1972	1973	1974	1975	1976	1977
Turnover	£'000	£'000	£'000	£'000	£'000	£'000
Interest on deposits	(1)	(2)	(3)	(4)	(5)	(6)
Cost of sales	(1,333)	(2,021)	(4,310)	(8,149)	(13,850)	(9,225)
Profit before taxation	29	129	342	814	1,218	732
Taxation	(3)	(6)	(17)	(32)	(65)	(43)
Profit after taxation	26	123	325	782	1,153	689
Extraordinary items	(4)	(5)	(6)	(7)	(8)	(9)
Profit after extraordinary items	22	118	319	745	1,068	646
Dividends	(1)	(2)	(3)	(4)	(5)	(6)
Retained earnings	21	116	316	741	1,013	640
Earnings per share	(1)	(2)	(3)	(4)	(5)	(6)
	6.3p	1.3p	2.7p	4.8p	11.0p	6.8p

Notes on profit and loss accounts

(a) Turnover of the four operating businesses comprises the net sales value of holidays with starting dates in the accounting period, the proceeds of insurance claims for passenger cancellations, retained deposits and revenue from retail shop sales and from extra services such as organised excursions provided to its customers by the Group, and excludes value added tax. Turnover of the hotel business, which has not been significant, represents the value of sales net of value added tax and excludes sales to the Group's tour operating business.

(b) Interest on deposits

Interest on deposits represents income receivable on the Group's deposits including cash received from customers in advance of their holidays. Any such interest which has arisen because customers have taken advantage of the discounts on holiday prices offered by the Group for early payment is included in turnover.

(c) Cost of sales includes:

	Year ended 30th June					6 months ended 31st December
	1972	1973	1974	1975	1976	1977
Depreciation	£'000	£'000	£'000	£'000	£'000	£'000
Interest payable	(1)	(2)	(3)	(4)	(5)	(6)
Revenues to be deferred	(1)	(2)	(3)	(4)	(5)	(6)
Computer rental and development costs	(1)	(2)	(3)	(4)	(5)	(6)

(d) Taxation

Taxation is based on the results of the Group for each period and comprises:

	Year ended 30th June					6 months ended 31st December
	1972	1973	1974	1975	1976	1977
Corporation tax	£'000	£'000	£'000	£'000	£'000	£'000
Deferred taxation	(1)	(2)	(3)	(4)	(5)	(6)
	3	6	17	32	65	43

(e) Extraordinary items

The extraordinary items in 1974 represent the realised profit on the sale of the interest in the associated company referred to in paragraph 5(c) and that in 1976 represents a provision against the Group's investment in the site of the Wampach Hotel, Folkestone.

(f) Dividends

The dividend paid on each share of the Company in respect of the five years ended 30th June, 1977 and the number of shares on which the dividends were paid were as follows:

Year ended 30th June	Dividend per share	Number of shares of £1 each
1972	50p	150,000
1973	—	—
1974	20p	150,000
1975	20p	150,000
1976	20p	150,000
1977	20p	150,000

No dividends have been paid in respect of any period since 30th June, 1977.

(g) Earnings per share

Earnings per share have been calculated throughout the five years and six months ended 31st December, 1977, on the 6,000,000 Ordinary shares which will be in issue immediately after the completion of the Offer for Sale and on the consolidated profit after taxation but before extraordinary items for each period.

5. Balance sheets

The balance sheets of the Group at each 30th June from 1972 to 1977 and at 31st December, 1977 and of the Company at 31st December, 1977 are as follows:

The Company	Year ended 30th June					31st December 1977
	1972	1973	1974	1975	1976	1977
Fixed assets	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	(1)	(2)	(3)	(4)	(5)	(6)
Interest in subsidiary	(1)	(2)	(3)	(4)	(5)	(6)
Interest in associated company	(1)	(2)	(3)	(4)	(5)	(6)
	87	68	185	218	107	1,153
Current assets						
Stocks	(1)	(2)	(3)	(4)	(5)	(6)
Debtors	(1)	(2)	(3)	(4)	(5)	(6)
Bank balances, cash and deposits with local authorities	(1)	(2)	(3)	(4)	(5)	(6)
	4	154	244	819	1,223	1,318
	64	218	429	1,268	1,330	2,471
Current liabilities						
Creditors	(1)	(2)	(3)	(4)	(5)	(6)
Provisions	(1)	(2)	(3)	(4)	(5)	(6)
Bank overdraft	(1)	(2)	(3)	(4)	(5)	(6)
Proposed dividends	(1)	(2)	(3)	(4)	(5)	(6)
	114	282	484	1,110	1,294	2,336
Net current assets (liabilities)	(50)	10	(2)	129	311	48
Net assets	(50)	78	183	347	418	1,161
Reserves	(1)	(2)	(3)	(4)	(5)	(6)
Share capital	(1)	(2)	(3)	(4)	(5)	(6)
Reserves	(1)	(2)	(3)	(4)	(5)	(6)
	84	282	794	1,807	3,883	4,498
Less: amounts on deposit with banks and local authorities	(1)	(2)	(3)	(4)	(5)	(6)
	(84)	(282)	(794)	(1,807)	(3,883)	(4,498)
Net assets	—	—	—	—	—	—
Deferred taxation	(1)	(2)	(3)	(4)	(5)	(6)
Net tangible assets	(1)	(2)	(3)	(4)	(5)	(6)
	57	78	123	337	418	1,403
Representing:						
Share capital	(1)	(2)	(3)	(4)	(5)	(6)
Reserves	(1)	(2)	(3)	(4)	(5)	(6)
	19	19	48	47	150	153
Less: provision relating to consolidation	(1)	(2)	(3)	(4)	(5)	(6)
	28	21	9	9	9	10
Attributable to shareholders of the Company	37	78	192	337	418	1,403

(a) Fixed assets are stated at cost, or at valuation, less accumulated depreciation as follows:

OVERSEAS MARKETS

EUROBONDS

Markets await results of talks

BY MARY CAMPBELL

THE OUTLOOK for the markets this morning was summed up succinctly by a senior foreign exchange dealer last Friday night. "The dollar has at last been successfully talked up," he said. "Now we have to see how good their words are."

On Friday night the markets were expecting a joint U.S./German announcement to result from week-end talks and a corollary of this expectation was that today for the second time in three weeks, no one can be sure on Monday morning where they may be on Tuesday morning.

Two weeks ago, the source of the confusion was the measures announced, after-hours on the previous Friday by the Swiss to stop capital inflows. To-day, the point at issue is whether the firm in the dollar tide provoked on Thursday and Friday by the expectations of further joint German/U.S. action will prove to be a mirage.

There is no doubt that the Eurobond market will be particularly badly placed to take a further sharp collapse of the dollar. This is not because of the technical situation in the secondary market—although the fact that prices have moved up to levels attributed mainly to professional buying bonds to cover share positions in case any

Schmidt-Carter deal were to provoke a sharp rise in the dollar. The reason is that issue managers have decided to take advantage of the improvement in the market in recent days, coming as it does on top of a firmer under-tone for a matter of weeks.

A glance at the \$1.1bn list of dollar bonds on offer—eight of them announced since Wednesday—speaks for itself.

Even if one excludes Canada's \$750m. announcement of new issues worth nearly \$400m. in two days would have been worthy of the dollar market at its strongest. If the week-end talks between the U.S. and Germany—and the convocation of central bankers gathered in Basel to-day and to-morrow—do not produce a package which maintains the dollar's firm upward trend, then even assuming that the recent weeks' recovery has enabled dealers to lighten their inventories of other bonds issued since last autumn, one may expect an unpleasant shake-out when the current batch has to be paid for.

If the dollar were to move in the right direction on the other hand, then the outlook is good. For although other factors are insufficient by themselves to attract funds positively into long-term investments, they are not unfavourable. The forecast of a

further rise in U.S. interest rates remains; but it has been shifted further into the future. Confirmed yet again by the latest U.S. money supply figures, the immediate outlook is for stable rates.

Other things being equal, the yield gap is such to offer lenders a profit on holding bonds and investors a sufficient inducement to place their money longer term. (The yield gap is not as favourable as it was in the first half of last year or in 1976; but as lead managers do not cease to point out that period was historically exceptional by previous standards.)

Thus for example the new Norwegian issue offers about three-quarters of a point more than the six month inter-bank rate, even before allowing for the selling group discount.

As for the New York issues, the Norges Konomnabank will be priced to yield about 9½ in to-day's market conditions. No indications are yet available as to

the Canadian bonds, but the market expects yields of around 8 per cent, 8½, and 8½-90 for the short, medium and long tranches respectively. (These yield expectations are not compounded—on an AIBD basis they would be slightly higher.)

Meanwhile, the D-mark sector, still going strong early in the week, faces more uncertainty than for some time due to the fact that the markets appear to think a currency turn-round more likely now than for the last few months.

However, although the outlook is clouded at present, yields were still showing a tendency to fall in the early part of last week.

The Swiss franc market has now had its collapse—prices fell below the D-mark sector, or so below their pre-measures levels.

The performance of the sterling sector has also been particularly weak recently. The Citicorp issue was quoted by the lead manager at a two-point discount

from the issue price in immediate after-market dealings (with the rest of the market somewhat lower). This more than eliminated the selling group discount. This bond had recovered slightly by the end of last week; but sterling bonds are not flourishing.

In the yen sector, the main factor last week apart from the current rise in the accelerated appreciation of the discount rate. This has prevented potential yields being decided for the remaining issues and placements due this month. A discount rate of three-quarters of a point is now widely expected.

Announcement of a unit of account issue for a Scandinavian borrower is expected this week with Kreditbank Luxembourg, possibly as lead manager. Also due from this bank is a Lux Frs 500m. ten-year issue for Copenhagen telephone.

The Australian Government has agreed in principle for State Government, local and semi-government bodies and marketing authorities to borrow overseas. Prime Minister Malcolm Fraser said.

Marketing authorities such as the Australian Wool Corporation will be permitted in principle to borrow overseas to fund stocks held abroad.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
Panama	30	1983/8	7	9½	780	Merrill Lynch, Nurnara	9.50
ITEL	25	1988	10	9	•	Kidder Peabody	•
Canada	250	1983	5	•	•	Morgan Stanley	•
Canada	250	1985	7½	•	•	Morgan Stanley	•
Canada	250	1998	20	•	•	Morgan Stanley	•
Norway	100	1983	5	8½	•	Hambros	•
Norges Kommunalbank (Fixed Norway)	75	1998	13	•	•	Smith Barney	•
ECSC	22	1993	11.43	9	•	Paribas	•
ECSC	22	1993	13.88	9½	•	Paribas	•
Bertelsmann	20	1985	7	8½	100	Deutsche	8.50
ISTET	50	1985	5	8	100	Kreditbank Lux., Orion	8.16
Costa Rica	20	1985	5½	8½	100	BNP	8.16
Banco Union	25	1983	5	7½	100	Morgan Stanley	7.90
MacMillan Bloedel	50	1993	11½	9	•	Morgan Stanley	•
D-MARKS							
Venezuela	250	1988	8	6	101	WestLB	5.87
Tobago	75	1983	5	6	100	WestLB	4.00
Tasmanian Tobacco	70	1993	10½	5½	100	WestLB	5.50
Philippines	100	1985	7	6½	•	Dresdner	•
Com. Fed. de Electricidad	150	1988	8	6½	•	WestLB	5.26
TECSC	150	1988	9.9	5½	99½	Dresdner	5.26
Kvaerner Ind.	150	1988	8	6½	•	Dresdner	5.26
Electrobra	150	1988	8	6½	•	Dresdner	5.26
SWISS FRANCS							
ASEA	100	1993	u.s.	3½	•	UBS	•
STERLING							
Citicorp	20	1993	11.2	10	99½	S. G. Warburg	10.07
GUILDERS							
Norway	100	1983	5	6½	•	ARN	6.80
Notes							
Final terms	•	•	•	•	•	•	•
Placement	•	•	•	•	•	•	•
Flotting rate	•	•	•	•	•	•	•
Minimum	•	•	•	•	•	•	•
Purchase Fund	•	•	•	•	•	•	•
Yields are calculated on AIBD basis.							

Indices

NEW YORK—DOW JONES

NEW YORK — BOW JONES									
1971-72 March completed 1-7									
	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 4	Mar. 3	Mar. 2
							High	Low	High
Industrial	788.58	795.00	780.87	748.79	748.79	747.81	806.25	742.18	1081.12
Nonmetals	80.72	82.58	80.54	88.52	88.54	88.58	81.79	82.11	87.78
Transport	261.80	180.31	209.14	158.86	189.78	201.80	247.8	178.1	277.85
Utilities	195.82	195.82	196.41	194.86	188.73	184.58	184.78	182.58	187.82
Total	1331.92	1364.29	1367.36	1391.03	1422.95	1423.77	1395.52	1304.98	1557.65
Total 1971-72 27,000 27,820 22,850 19,500 17,550 20,120									
8 Months of 1970-71 27,000 27,820 22,850 19,500 17,550 20,120									

Henry Boot Construction Limited
Sheffield Tel: 0246-410111

FT SHARE INFORMATION SERVICE

ENGINEERING—Continued

Rebills	Stock	f	Last	Dir	Cvt	Yld	Dividends	Stock	Price	Last	Dir	Cvt	Yld	Dividends	Stock	Price	Last	Dir	Cvt	Yld	Dividends	Stock	Price	Last	Dir	Cvt	Yld	Dividends					
J. Ap. Jy.	Floor Corp. S. S.	22½	281½	51.20		3.0	Nov.	July	42	112½	41.20	27	8.8	6.5	July	Feb.	44	111	42.5	27	8.8	6.5	July	Feb.	44	111	42.5	27	8.8	6.5			
Mr. J. S. D.	Floor S. S.	22½	273	52.20		3.0	Nov.	July	43	110½	40.90	27	8.8	6.5	July	Feb.	43	110½	40.90	27	8.8	6.5	July	Feb.	43	110½	40.90	27	8.8	6.5			
Mr. J. S. D.	GATX	167½	63	52.50		3.0	Nov.	July	42	281½	51.20	37	17.13	1.57	June	Nov.	42	281½	51.20	37	17.13	1.57	June	Nov.	42	281½	51.20	37	17.13	1.57			
Apr. Oct.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Honewell S. S.	32½	282	51.00		3.0	Nov.	July	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8			
MSUD	Hutton E. S.	732½	30	50.68		4.9	Sept.	Apr.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17			
Mr. J. S. D.	Intercontinental S. S.	385½	27	53.00		4.4	Oct.	Apr.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	
S. D. M. J. S.	S. D. M. J. S.	11	268	25c		1.1	May	Oct.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	
Mr. J. S. D.	U. S. S.	214½	60	51.60		4.3	Apr.	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Apr. Oct.	Man. Hill. S. S. 85	214½	31	51.92		5.1	April	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Mr. J. S. D.	Man. Hill. S. S. 85	214½	31	51.92		5.1	April	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Mr. J. S. D.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
N. F. J. S.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
Mr. J. S. D.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
J. Ap. Jy.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Honewell S. S.	32½	282	51.00		3.0	Nov.	July	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	
MSUD	Hutton E. S.	732½	30	50.68		4.9	Sept.	Apr.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	
Mr. J. S. D.	Intercontinental S. S.	385½	27	53.00		4.4	Oct.	Apr.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	
S. D. M. J. S.	S. D. M. J. S.	11	268	25c		1.1	May	Oct.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	
Mr. J. S. D.	U. S. S.	214½	60	51.60		4.3	Apr.	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Apr. Oct.	Man. Hill. S. S. 85	214½	31	51.92		5.1	April	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Mr. J. S. D.	Man. Hill. S. S. 85	214½	31	51.92		5.1	April	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Mr. J. S. D.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
N. F. J. S.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
Mr. J. S. D.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
J. Ap. Jy.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Honewell S. S.	32½	282	51.00		3.0	Nov.	July	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	
MSUD	Hutton E. S.	732½	30	50.68		4.9	Sept.	Apr.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	
Mr. J. S. D.	Intercontinental S. S.	385½	27	53.00		4.4	Oct.	Apr.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	
S. D. M. J. S.	S. D. M. J. S.	11	268	25c		1.1	May	Oct.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	
Mr. J. S. D.	U. S. S.	214½	60	51.60		4.3	Apr.	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Apr. Oct.	Man. Hill. S. S. 85	214½	31	51.92		5.1	April	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Mr. J. S. D.	Man. Hill. S. S. 85	214½	31	51.92		5.1	April	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Mr. J. S. D.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
N. F. J. S.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
Mr. J. S. D.	Vernon S. S. 115	122½	71	76c		3.3	Feb.	Oct.	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	79	132	40.3	1.1	10.13	1.34	Dec.	July	
J. Ap. Jy.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Gen. Elect. S. S.	128½	261	52.50		3.0	Nov.	July	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5	June	Dec.	43	167½	63	52.50	28	8.0	6.5
Mr. J. S. D.	Honewell S. S.	32½	282	51.00		3.0	Nov.	July	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	258	199	15.46	9.5	2.0	7.8	Aug.	Apr.	
MSUD	Hutton E. S.	732½	30	50.68		4.9	Sept.	Apr.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	36	301	41.19	19	10.0	10.17	Aug.	Oct.	
Mr. J. S. D.	Intercontinental S. S.	385½	27	53.00		4.4	Oct.	Apr.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	83	389	3.94	—	7.3	9	Sept.	Oct.	
S. D. M. J. S.	S. D. M. J. S.	11	268	25c		1.1	May	Oct.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	68	228	94.92	25	6.2	9.7	June	Dec.	
Mr. J. S. D.	U. S. S.	214½	60	51.60		4.3	Apr.	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	
Apr. Oct.	Man. Hill. S. S. 85	214½	31	51.92		5.1	April	Oct.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83	19	10.0	10.17	5.8	5.9	May	Nov.	83								

July	Samuel H. A.	241	161	7.61	2
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[illegible]

g.	Feb. Vott. Brick 50p.	222	1
r.	Oct. Orme Devs 10p.	521 and	2
	July Boston 2nd	1st	

[illegible]

Nov.	William C. G. ...	233	3
Oct.	Taylor Woodrow.	365	1
Oct.	Tilbury C. & E. L.	237	3

[illegible]

CHEMICALS

[illegible]

Aug.	Coalite Chem. . .	68	16
July	Combs Bros. . . .	67	14.

[illegible]

Nov.	Rentokil 10p.	50	31
Nov.	Reserter	87	19
Nov.	Soni Ag Ind Fl	195	12

[illegible]

July	LSTA.....	116	—
July	Redif TV PreL 51	73	3
May	Coast TV's 17-18	68	17

[illegible]

Sept.	Bloom & Co. 20p	131 $\frac{1}{2}$	9
Sept.	Boardman KO 5p	121 $\frac{1}{2}$	3

[illegible]

Nov.	Kills & Gold Sp.	20	17.1
June	Empire Stores	144	17.1
Oct	Procter & Gam	39	15.6

[illegible]**FOOD, GROCERIES, ETC.**[illegible]

INDUSTRIALS

[illegible]

Aug.	Pratt/PT	68m	27.2	1.81	2.4	10.7
Mar.	Priest/Ben	72	13.2	65.28	2.9	11.1
Dec.	Pratt/PT	68m	14.1	0.11	-	0.33

[illegible]**FOOD, GROCERIES, ETC.**[illegible]

pt.	Ass. Brit. Fds. bp.	56	16.1	+2.1	4.6	5.7
ct.	Ass. Dairies —	229	3.1	+0.78	19.4	0.5
er	Ass. Fisheries	16	13.2	3.0	3.5	8.8

Dec. Sept.	Andrew Sept. 11	111	10	0.2	
February	Sept. Over's Up	89	27	25	0
July	April, Dan. Chas. Cley	89	27	25	0
Mar.	No. Esperanza 12-30	126	30	15.08	3.8
Aug.	Jan. Dan. Ferris	100	27	15.08	3.8
Mar.	Sept. Edna Hilda up	71	12	2.58	4.7
Feb.	Aug. Elmer George Up	294	39	1.21	2.0
Jan.	Jan. Elzel	294	39	1.21	2.0
Oct.	June Paulina Lavon	55	19	43.65	5.2
Jan.	July Ferdinand Up	55	19	43.65	5.2
Aug.	Jan. Pioneer 1.1	55	19	12.25	2.7
Jan.	July Pioneer Ind.	99	28	11.60	1.5
Jan.	Sept. First Castle Up	33	13	31.67	10.1
May	Nov. Rudolph A.R.	33	13	31.67	10.1
Sept.	First Castle Up	46	23	1.1	1.7
June	Dec. Plowden	41	16	11.04	0.54
July	Jan. Plowden C.	41	16	11.04	0.54
Nov.	June Fogarty (E.)	122	17	33.4	4.2
Dec.	July Focco Marston	130	14	14.16	1.6
Jan.	May Focco Marston	130	14	14.16	1.6
Ma. J. S. De. Franklyn Munn	3528	27	2	23.6	1.7
Feb.	No. French Theo. Up	50	19	12.84	1.9
Oct.	Apr. Friedland Up	90	19	22.84	3.1
July	Jan. G. E. Hagen Up	425	12	12.89	5.5
Apr.	Sept. Giesinger	59	19	22.84	3.1
Nov.	May Gibson Dudley	58	19	12.27	4.2
Nov.	No. Jones Chas. Up	175	19	33.25	4.5
Dec.	Dec. May Giers Group	122	17	33.25	4.5
Jan.	Aug. Golsinger Up	52	12	12.12	2.9
Jan.	April Glass & Mehl Up	52	12	12.12	2.9
Oct.	Oct. Garsch	52	12	12.12	2.9
October	George Photo 10	40	22	2.54	1.9
May	No. Goldman 100 Up	21	19	0.57	1.5
Jan.	July Gossard Hilda	18	10	1.07	1.0
Nov.	May Grampson Hilda	35	11	1.99	4.7
Apr.	Oct. Grunwald A.R.	45	22	2.36	1.0
Nov.	Oct. Grissman Up	45	22	2.36	1.0
Oct.	June Grisswell Up	18	19	0.81	1.9
Jan.	Aug. Hahn Group Up	58	13	12.29	4.9
Feb.	Aug. Halma Up	58	13	12.29	4.9
Nov.	Nov. Harnham 12-30	47	13	41.49	2.2
Feb.	Apr. Hattner C. S. Up	115	13	12.29	4.9
Feb.	July Hazzard Trice	132	12	6.28	2.5
Mar.	Sept. Darrig C. M. 10-30	180	8	8.68	84.3
Dec.	July Hargrove C. S.	53	12	12.29	4.9
Jan.	Aug. Harp (Ph) 23	65	14	3.69	2.5
May	Nov. Harris & Shelden	44	13	2.97	0.9
July	Feb. Hartman & Tison	44	13	2.97	0.9
Oct.	June Hartson Up	40	11	11.73	1.4
Aug.	Jan. H. Norman Up	40	17	10.81	8.6
June	Jan. H. P. Whist 1.1	124	19	43.33	3.0
Dec.	Nov. Hesporth C. S.	79	19	43.33	3.0
Dec.	June Hestair	109	14	11.73	1.4
May	Hestair 1.1 up	214	15	11.73	1.4
Feb.	July Hilda Up	112	28	6.6	0.6
Nov.	Nov. Hill Chas 1.1	112	28	6.6	0.6
Nov.	Apr. Hirt M. S. up	39	12	12.29	4.9
Nov.	Aug. Hilda 1.1	62	17	3.3	3.6
Feb.	Sept. Hollis Brem	59	16	14.03	2.7
Dec.	July Holt Landin Up	122	17	35.08	2.6
Apr.	Sept. Homer A.	322	22	14.82	1.2
Oct.	Oct. Horland M. S.	84	19	12.69	5.1
Feb.	Oct. Hoskins & H. 2-25	145	10	14.75	5.6
May	Oct. Howard Tena	275	12	12.12	2.9
Nov.	July Hunting Assoc.	187	17	12.95	8.1
Nov.	July Hurdston Up	57	17	12.14	4.4
December	Dec. Hwang Hilda	12	12	12.12	2.9
July	Jan. H. J. Up	26	21	1.16	1.3
Apr. J. O. A.	J. C. Industries	417	27	2.6152	5.7
July	Feb. H. J. Up	224	17	1.1	1.3
April Sept.	Jan. Kent Gas 1.1	320	24	18.91	1.5
May	Nov. Kallal bids 1.1	22	17	1.1	1.3
Jan.	Aug. Kallal Service	11	17	1.1	1.3
Dec.	Jan. Kallal Service	8	22	10.12	1.2
Mar.	Dec. James John	392	27	2.62	2.7

HOTELS AND CATERERS

Apr.	Dec.	Johnston	24	37	76.2	1.12
Apr.	Johnston	24	37	76.2	1.12	
Oct.	Apr.	Johnston	24	37	76.2	1.12
Feb.	Aug.	Johnston	24	37	76.2	1.12
Oct.	June	Johnston	24	37	76.2	1.12
June	Dec.	Johnston	24	37	76.2	1.12
Apr.	Jan.	Johnston	24	37	76.2	1.12
Nov.	Apr.	Johnston	24	37	76.2	1.12
Jan.	Aug.	Johnston	24	37	76.2	1.12
Aug.	Jan.	Johnston	24	37	76.2	1.12

